FOR-PROFIT HIGHER EDUCATION PROGRAMS IN THE UNITED STATES

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This study examined the extent of research and teaching on higher education programs in the United States that focuses on for-profit higher education.

This descriptive study used a 30-item questionnaire to gather the information reported here. This survey instrument was sent to the entire population of interest. This population was made up of all of the programs in higher education that are listed in the ASHE Higher Education Program Directory, which is produced by the Association for the Study of Higher Education.

The results of this research show that little research and teaching is being done that has a primary focus on for-profit higher education. Recommendations on how to address this are provided.

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I would like to acknowledge the support of my wife over the many, many years I have spent in life-long learning. She has not always understood what drives this need for knowledge, but she has willingly spent nights alone as I attended classes, wrote papers, and engaged in research for hour after hour, semester after semester.

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CHAPTER 1

INTRODUCTION

Providers of for-profit higher education are considered curiosities more than competitors by traditional higher education institutions. In the United States, higher education has always been seen as a public good rather than a profit center. For example, Cohen and March (as cited in Forest & Kinser, 2002) in 1974 argued that an American university is not just another business. More recently Newman, Couturier, and Scurry (1990) lamented the move toward a market basis for higher education:

> The result is an evolution of the higher education sector toward operating far more as a market, with universities and colleges competing to supply the service of education, as opposed to the concept of higher education as a public sector structured principally by government regulation. (p. 2)

Recent research suggests that higher education is indeed just another business that can be pursued as a market of its own. As several authors have pointed out, for-profit higher education is one of the fastest growing sectors in higher education in the United States of America and worldwide (Hentschke, 2004; Kelly, 2001; Kinser & Levy, 2005; Morey, 2004; Newman et al., 1990). In addition, Sinclair (2003) contended that for-profit will be the dominate form of higher education in the future. Newman et al. believe that a combination of forces will impact the higher education market, with for-profit institutions having a significant, but not a dominate role.

> Compared to most other countries, the United States has always had a diverse and competitive system of higher education—part public, part private—and has functioned at least partially as a market. However, the basic nature of the higher education system is changing. Competition among traditional, nonprofit

> institutions is intensifying. Exacerbating this competition, the number of degree-granting for-profit universities and colleges has grown rapidly. Virtual or online programs have mushroomed over the last decade and now enroll millions of students. Corporate universities and certificate programs offer alternative ways to gain skills and credentials. The impact of technology on teaching and learning challenges every institution's ability to keep up and opens new opportunity for aggressive institutions. To complicate matters further, higher education is in the early stages of becoming a global enterprise, and colleges and universities must choose whether to go beyond their national boundaries or not. (p. 2)

At present, of the 4,387 institutions of higher education, 908, or 21% are recorded as for-profit. Of these 502 are 2-year institutions and 350 are 4-year schools. (http://chronicle.com/weekly/almanac/2006/nation/0103501.htm) The rise in enrollments from year to year of the for-profits has been striking. *The Chronicle of Higher Education'*s index of for-profit schools showed the following change in enrollments from 2004 to 2005.

Table 1

Enrollment Growth of For-Profit Higher Education

Institution	Percent change
Laureate Education	Up 62
University of Phoenix Online	Up 52
Education Management	Up 37
Career Education	Up 31
Apollo Group	Up 30
Corinthian Colleges	Up 26
Strayer Education	Up 23
ITT Educational Services	Up 17
DeVry University	Down 2

(http://chronicle.com/weekly/v51/i35/35a03101.htm)

With the number and penetration of for-profit schools, there will be a growing need for faculty and staff for these schools. Because colleges and universities that are run

on a for-profit basis are fundamentally different in the manner in which they operate compared to traditional schools (Brimah, 2000; Kinser, 2005; Newton, 2002) specialized training will be required for those faculty and staff serving in this sector of higher education (Zamani-Gallaher, 2004). A course of study that focuses on this at the masters and doctoral levels would be a lucrative addition to any higher education program. Further, research about this sector has been limited, which presents an opportunity for scholars. A program specialization in a higher education program that focuses on this sector would draw students interested in this area of scholarship.

This study examined existing higher education programs to determine the number that focus on for-profit education and the extent of that focus on the for-profit sector. In addition, the results of this study will be used to create a framework for the implementation of such a program at those schools that do not yet have such a specialization.

What is for-profit higher education? How does for-profit higher education differ from higher education in general? The formal definition of for-profit higher education as used by the U. S. Department of Education is as follows:

> An otherwise eligible Title IV educational institution other than a public or private, nonprofit institution located in a state that:
>
> - provides at least a six-month degree or certificate program that prepares students for gainful employment in a recognized occupation,
> - has been legally giving instruction for at least two years, and
> - has at least 10 percent of its revenues derived from non-Title-IV funds.
>
> (http://www.ed.gov/offices/OSFAP/fsacoach/glossary/prop_inst_of_highed.html)

This definition differs from that for a traditional higher education institution in two major ways: the focus on gainful employment and the source of the funding. For-profits concentrate on gainful employment as the outcome of the educational process.

This outcome may be a degree, but need only be a certificate of completion earned in as little as 6 months. In other words this is not education for education's sake. Second, the for-profit institution may not receive all of its funding from governmental sources related to Title-IV. Title IV funds are those authorized under the Higher Education Act of 1965 and subsequent acts. It includes the following programs: Federal Family Education Loan Program (FFELP), FFELP Parent Loan (PLUS), Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (SEOG), and Federal Perkins Loan. These programs are used to provide financial aid to students attending higher education institutions.

This provision is meant to ensure the quality of the educational experience, although the success of this provision has been debated.

The history of higher education in America from its beginning to date has been one of constant tension between education to produce a well rounded citizen and education focused on immediate employment (Rudolph, 1990). As Rudolph noted, in the beginning higher education in America focused on a learned clergy and a lettered people. The purpose of higher education was to prepare people for the next world, not the current one. Even with the shift in emphasis to more practical learning after the War Between the States, criticism of antiquated curriculum continued to be leveled at American colleges and universities. Reaction to this criticism has been seen in several reform movements, such as the land grant colleges, the adoption of the German model for graduate education, the rise of the elective principle, the university movement, and the rise of academics as a profession.

The for-profit model of higher education takes the emphasis on education for employment to the next logical step. This next step is year-round education highly focused on employment. Because this sector, although still small, is the fastest growing portion of higher education, it deserves study. One of the major works on the history of higher education (Rudolph, 1990) failed to mention that for-profit higher education began in the Colonial Era at the same time that Harvard was founded. These early proprietary schools were not created with degree granting in mind. Their purpose was, as it often is today, to fill the gaps left by the traditional higher education institutions. Most of these early schools were vocational or remedial in nature. Specific skills, not the well-rounded man, was the focus.

The rise of the for-profit schools in America has been attributed to the absence of a guild system for apprentice-based education. As the skills called for higher literacy and moved away from manual labor to office work during the early 1800s, business schools appeared. These schools taught the skills required for commerce, such as penmanship, accounting, commercial law, and foreign languages. In the late 1800s the proprietary sector emerged as a distinct and large sector of postsecondary education. By 1893 there were 115,748 students enrolled in the business colleges alone. Due to the growth of the private postsecondary colleges at the beginning of the 20th century, this sector came under intense scrutiny. The charges made at that time are similar to the ones advanced today; (a) the proprietary schools were accused of shady student recruitment practices, (b) critics alleged that students were trained for jobs that did not exist, despite the promises made; and (c) labor unions that provided training through their own methods criticized the graduates of the proprietary schools as ill-prepared for the real world.

After the Second World War there was a fundamental change in the way for-profit schools were treated. This began with the approval of these schools by the Servicemen's Readjustment Act. The funding provided through this act was the first time the proprietary schools could seek funding directly from a federal subsidy (Honick, 1995). The final result of the development of the for-profit sector is seen in two developments in the later half of the 20th century.

The first development was the recognition of the for-profit sector as a part of higher education. According to Fournet (1984), proprietary schools had no legal basis for a claim to being part of higher education until the passage of PL 92-318 in 1972. The Higher Education Amendments of this law included for-profit schools as part of the higher education sector. The second development was the creation of publicly traded, for-profit higher education colleges and universities in the 1990s. The first of these was DeVry University, which was first listed in 1991. The University of Phoenix followed in 1994. These filings put the for-profit higher education sector into the mainstream. No longer was this sector a collection of "mom-and-pop," single-location schools teaching a handful of vocational skills. These two entities and other similar schools are full-fledged institutions of higher education with offerings from the undergraduate through the doctoral level (Ruch, 2001).

This study focused on the for-profit higher education institutions that grant degrees accredited by one of the regional accrediting agencies. This division, thus, distinguishes those postsecondary institutions that focus their educational offerings on a comprehensive program as opposed to those that take a vocational approach. The vocational approach does not teach subjects that do not directly relate to the training field

in which the student is enrolled; in other words, they lack the general education requirements (Cann, 1982). Proprietary higher education institutions were first able to award degrees in 1981, with the degree being the associate degree. Other degrees were added after 1985 as more schools were able to grant degrees (Hittman, 1991).

Statement of the Problem

The problem addressed by this study is the identification, characterization, and evaluation of the programs that offer graduate education focusing on for-profit higher education.

Purposes of the Study

The general purpose of the study was to compile current descriptive information on education concerning the for-profit higher education sector offered by the higher education programs of American colleges and universities. The specific purposes of the study were to (a) identify higher education programs that focus on for-profit higher education at the graduate level, (b) determine course offerings of these programs and (c) evaluate how well these programs meet the needs that such a program should meet based on the views of the faculty of existing higher education programs.

Research Questions

1. What programs currently exist in American colleges and universities at the graduate level that focus on for-profit higher education?
2. What elements, such as courses on aspects of for-profit higher education, research on for-profit higher education, and conferences wholly or in part on for-profit higher education, are included in the existing programs?

3. Do these programs meet the need of comprehensive education in the provision of and research into for-profit of higher education?

Significance of the Study

This study will add to the knowledge base in the field of higher education by detailing the current scope of graduate instruction on for-profit higher education, the form of the education presently provided currently in for-profit higher education, and the suitability of these programs in providing education on for-profit higher education.

The results of this study will assist faculty and administrators of graduate programs in higher education in evaluating how their offerings on for-profit higher education compare to others in the field. To make such a comparison, basic information on the extent of the offerings of for-profit programs is critical. This study has provided that information.

For those education programs considering creating a specialization in for-profit higher education, the findings of this study can be used to assist in creating a program on for-profit higher education. To develop such a program an examination of the existing programs addressing this need should be useful. This study provides the information required.

For the practitioners of higher education organized on a for-profit basis the information developed by this study can be used to develop training programs for faculty and staff on how the for-profit sector of higher education operates. To successfully operate in a market it is essential to understand in detail how this market operates. This

study provides information on the programs that can provide this to the for-profit higher education institutions.

For researchers interested in the for-profit higher education field, the information developed by this study can be used as a guide to the programs that currently sponsor research on this area. This research will assist others in evaluating what has been done and what needs to be done in the way of research in this field. In addition, the information developed will provide information on those programs that might provide data and guidance on needed research in this area.

For students interested in pursuing graduate study specializing in for-profit higher education, this study will provide a guide to select where to study for-profit higher education. For-profit education institutions interested in employing graduates trained specifically in the workings of the for-profit sector of higher education can use the information from this study as a guide to the programs producing such graduates.

Definition of Terms

For the purposes of this study an institution of higher education is defined as:

An otherwise eligible Title IV program that provides:

- a program leading to an associate, baccalaureate, graduate, or professional degree; or
- at least a two-year program that is acceptable for full credit toward a bachelors degree; or
- at least a one-year degree or certificate training program that prepares students for gainful employment in a recognized occupation.

(http://www.ed.gov/offices/OSFAP/fsacoach/glossary/inst_of_high_ed.html)

For the purposes of this study a for-profit institution of higher education will be defined as:

An otherwise eligible Title IV educational institution other than a public or private, nonprofit institution located in a state that:

- at least a six-month degree or certificate program that prepares students for gainful employment in a recognized occupation
- has been legally giving instruction for at least two years, and
- has at least 10 percent of its revenues derived from non-Title-IV funds.

(http://www.ed.gov/offices/OSFAP/fsacoach/glossary/prop_inst_of_highed.html)

Limitations

This study is limited by not identifying all programs of study in colleges and universities that address for-profit higher education.

Delimitations

Delimitations to this research include contacting for information only the institutions that appear on the list shown in Appendix A. This list was generated from the Association for the Study of Higher Education (ASHE) database. On this list are the programs in the United States of America ASHE records as offering instruction in the field of higher education. The list was produced on 1 October 2006. This lists numbers 195 institutions.

The second delimitation is the definition of for-profit higher education. For this study the definition of for-profit higher education institutions is limited to those institutions that are accredited to offer 2-year, 4-year, or graduate programs by one of the regional accrediting commissions. This includes the following:

New England Association of Schools and Colleges

Middle States Association of Colleges and Schools

North Central Association Commission on Accreditation and School Improvement

Northwest Association of Schools and Colleges
Southern Association of Colleges and Schools
Western Association of Schools and Colleges
(http://www.sacscoc.org/links.asp)

CHAPTER 2

REVIEW OF RELATED LITERATURE

Introduction

The term postsecondary education covers a wide area ranging from vocational education completed in a matter of days to multiyear postdoctoral programs. This literature review examined the research that has been done on the for-profit sector of postsecondary education. Specifically, this study focused on for-profit colleges and universities that are regionally accredited and degree granting, an area of higher education generally ignored by researchers.

The 1960s: Research on Vocational Education

The oldest commonly cited literature on this topic is Clark and Sloan's (1966) report on the vocational education sector. This book focused on vocational training including that provided by for-profit schools. According to Clark and Sloan:

> *Classrooms on Main Street* has to do with an extensive area in American education about which little has been written. This area includes a wide variety of schools. They have been variously called proprietary, trade, and vocational schools, but no one of these terms covers the entire area. All of them, however, are concerned with preparing students for a particular business position or industry, skilled trade, semiprofession, personal service, recreational activity, or some other vocation or avocation. (p. vii)

It should be noted that the focus is on just the skill training. These types of schools are more properly called vocational schools, as they do not provide general education. They are also nondegree granting institutions.

Clark and Sloan (1966) noted that the “dearth of general literature pertaining to the specialty schools has left a gap” (p. x). As an example of this problem, an examination of the references for the Clark and Sloan volume showed no journal articles from any discipline. The only citations were for other books on vocational education, books on adult learning, governmental reports on vocational education, and listings of directories of these types of schools. This work is frequently mentioned in the bibliographies of the better known works from this period as a basic work in the for-profit area.

Belitsky's (1969) *Private Vocational Schools and Their Students* focused directly on for-profit vocational schools. Belitsky's interest was on the ability of these schools to assist disadvantaged students in their quest for educational advancement. Belitsky, like Clark and Sloan (1966), bemoaned the lack of data on this sector of postsecondary education. He wrote, "Early reading disclosed, however, that even less is known about these frequently ignored schools and their students than about the disadvantaged whom such schools might serve" (p. 1). Based on this lack of data, Belitsky expanded his study to include how these types of schools conduct their operations. Despite this book's focus on vocational training, certain elements that distinguish the way current for-profit higher education institutions conduct their operations in contrast to traditional schools was noted. As Belitsky observed, one of the hallmarks of these schools is their emphasis on the needs and demands of the students as well as the employers who will hire them. The seeds of the current makeup of the for-profit higher education sector, a sector dominated by large corporations, are seen in a table from this book. Belitsky provided a partial list of vocational schools owned by large corporations. This list included schools that offer

technical and business related courses. Some of the corporations on the list include Control Data Corporation, Lear Siegler, Litton Industries, McGraw-Hill Corporation, and Bell and Howell Corporation operating the DeVry Institute of Technology.

Belitsky (1969) pointed out the lack of accreditation or licensing of these schools prior to 1967. The first of the efforts at evaluating these schools for accreditation of any type was by NATTS – National Association of Trade and Technical Schools. This organization was designated by the U.S. Office of Education as the accrediting agency for trade and technical schools. By being accredited these schools have preferential access to governmental programs.

Another similarity between these schools and the schools of interest in the present study is seen in the role of the instructor. Their role in these vocational schools is typical of the role assumed by the faculty in current for-profit colleges and universities. Unlike the tenure-based system of doctoral level faculty who emphasize their research output, these instructors are judged on their practical knowledge of the real world and their ability to teach. The failure to learn in a class is not considered to be a failing of the students, but of the instructor (Belitsky, 1969).

The 1970s: The Continuation of Research on Vocational Education

Research on for-profit postsecondary education entered the 1970s with a June 1970 report, also by Belitsky, for the Upjohn Institute for Employment Research. The report is typical of the literature from this period. It extended the work done in the 1960s, but also hinted at the changing role of the private vocational schools. For example, the title of this report is *Private Vocational Schools: Their Emerging Role in Postsecondary*

Education. In this paper Belitsky reported on the number of, the enrollment in, and the types of programs offered by the vocational school sector in the United States. According to Belitsky this sector consisted of 7,000 schools providing training to approximately 1.5 million students as of 1966. The occupational categories for which training was provided included trade and technical, business, cosmetology, and barbering. None of these schools provided what would be considered general education courses or any course not directly related to the skill to be taught (Belitsky, 1970). This emphasis on practical and specific training for a skill, and the absence of general education is what distinguishes vocational education from higher education.

A change in interest in research on for-profit higher education away from the vocational side toward those regionally accredited institutions occurred with the passage of the 1972 amendments to the Higher Education Act of 1965. As discussed in the introduction, at that time the proprietary sector was included as part of postsecondary education by the federal government. This alteration was reported in *Change* magazine in 1973. In this short article, Ellwood A. Shoemaker, an assistant professor of higher education at the Catholic University, also noted the lack of research on this sector. But his attention to this problem also indicated a new interest in research on the part of higher education by faculty in the field of higher education. Vermilye's (1973) *The Future in the Making* contains short chapters on current issues in higher education. One of the sections, "Postsecondary Education: The New Perimeters," deals with changes in higher education created by the Education Amendments of 1972. Several of the chapters in this section were written by owners and administrators of for-profit institutions. Their chapters either covered the impact of the 1972 amendments on higher education or discussed the

background of their institutions. Of more interest is a chapter by Joseph P. Cosand, the director at that time of the Center for the Study of Higher Education at the University of Michigan. Cosand pointed out the dramatic change the 1972 amendments produced in the field of higher education. The first of these changes was the changing of the name of this part of education from higher education to postsecondary education. This change was brought on by the amendments specifically recognizing for-profit institutions of many types as part of higher education. To the national government these nontraditional institutions were the same as the old line colleges and universities, at least in terms of government support. As Cosand noted, "The scope of the Amendments was unmatched in history" (Vermilye, 1973, p. 191). Cosand also pointed out the consternation caused in the higher education community by these changes: "Like it or not, the higher education world of two- and four- year colleges and universities has been dramatically altered" (Vermilye, 1973, p. 193).

A review of the literature conducted by Susan E. Johnson (1974) for the National Institute of Education under the auspices of the Center for Research and Development in Higher Education of California University, Berkeley. According to the author, "The paper examines all available studies, research reports, and publications relevant to proprietary schools, presenting their findings in summary form. Acknowledging that reliable information has only become available within the last three years" (Johnson, 1974, Abstract.) This literature review by Johnson was prompted by a common complaint concerning this sector of postsecondary education. This complaint was related to questionable marketing practices in the vocational education sector. In this paper Johnson discussed a number of reports, each of which looks at common themes for this period and

subsequent periods of research on this area. These research themes include collecting basic data on the number of entities and their enrollment, the characteristics of the students enrolled, the approach to education used by these types of schools, the lack of licensing and accreditation, the unequal access to federal programs, and the increasing interest by large corporations in owning these schools.

Continuing the emphasis characteristic of this period on for-profit vocational education, as opposed to for-profit higher education, is a report by Trivett (1974) prepared for the American Association for Higher Education. This report, titled *Proprietary Schools and Postsecondary Education,* is another indicator of the increasing interest by the higher education community in this part of postsecondary education that was prompted by the 1972 recognition of for-profit schools by the Higher Education Act. The author noted the common elements that distinguish for-profit schools, such as an emphasis on skill-based education, student services, and job placement.

The relevant works from the 1970s end with a report by Erwin (1975). The title of Erwin's work, *The Proprietary School: Assessing Its Impact on the Collegiate Sector,* shows the change in approach to research on this part of postsecondary education. No longer is the research focused on unlicensed and unaccredited vocational schools exclusively. Now interest is being shown on how the for-profit sector will affect higher education. Erwin at this time was associated with the Center for the Study of Higher Education at The University of Michigan. What prompted this new interest? As Erwin noted,

> Although proprietary occupational schools have existed in America since the Colonial Period, it was not until 1972 that they became "recognized" components of postsecondary education. The Education Amendments of that year made students in profit-making schools eligible for forms of federal financial

> institutions. The Amendments thus provide low-and-middle-income students with greater access to the schools, making the relatively expensive proprietary institutions a more viable alternative to collegiate attendance for young adults. (p. 1)

Erwin (1975) noted that with this change the for-profit sector the schools recognized a need to achieve accreditation to further enhance their status. As do most authors of this period and later, Erwin pointed out that the main problem encountered in performing research on this sector is the lack of data. To address this lack of data, Erwin presented a typology to use in organizing these schools into subsectors. At the top of this topology were the Class A Schools. These schools “may offer programs in competition with the collegiate sector and which are accredited or approved” (Erwin, 1975, p. 15). This typology was another indicator of the movement of part of this sector away from purely vocational training to more general education leading to a degree. Erwin began his summary of this report by pointing out, "Proprietary schools, their operation, and their students have been largely ignored by the higher education community” (Erwin, 1975, p. 51). But the very paper from which this quote is drawn illustrates the change in interest within the higher education community in research on this sector of postsecondary education. In the 1980s the interest in research on this sector will shift from a paper now and again to articles in recognized higher education journals.

The 1980s: The Emergence of Degree-Granting, For-Profit Higher Education

The first three documents from this period reflect the same vocational studies interest seen in the earlier periods. The first of these is a bibliography by Wine (1980) on proprietary postsecondary education, which listed the usual reports, dissertations, books,

and so, all dealing with vocational education. An often cited study by Wilms (1982) discussed the same problem seen in earlier research concerning the lack of data on this sector, the concerns about the way these schools market their offerings, the characteristics of the students, and method of operation of these schools.

A major shift in the literature on this sector can be seen in 1982. No longer was the literature dominated by papers and reports; now research on this sector began to appear in various journals specific to higher education. The first of these was a reprint of a report on vocational schools prepared for the U. S. Department of Education. This reprint appeared in the *Journal of College Student Admissions* (Cann, 1982).

Next came a discussion of the relationship between community colleges and proprietary schools that appeared in *New Directions for Community Colleges: Improving Articulation and Transfer Relationship,* September 1982. The *New Directions* series represented the first appearance of this topic in the mainstream of higher education periodicals (Petersen, 1982). Subsequent research during this period appeared in several secondary journals such as the *Journal of Studies in Technical Careers* and the *Journal of Student Financial Aid*. In each case the articles published in these various journals focused on these topics: the ability of the students attending proprietary schools to pay for their education, the characteristics of the students, the lack of data on this sector, the reputation of for-profit schools within higher education, and the competition between these schools and the community colleges. All of these are familiar topics from previous periods except for the studies that examine the competition between community colleges and the for-profit sector. In the 1980s this became a matter of concern for community college administrators. Johnston (1987) in *New Directions for Community Colleges:*

Marketing Strategies for Changing Times illustrated this new concern. In this article the author noted that community colleges and many proprietary schools have the same approach to technical education. That approach is to produce an employable graduate. In this article from 18 years ago the system still used by many for-profit schools was first described. This system uses a network of relationships with local employers maintained by a placement director to ensure that the graduates are employable in the current business environment (Johnston, 1987).

The last article from this period concerned the characteristics of proprietary school students, a common research topic. The article, by Paulter, Roufa, and Thompson appeared in the *Journal of Studies in Technical Careers* in 1988, and was basically a literature review of previous studies. In these articles the authors discussed vocational school students for the most part, because this was the only research that had been done to that time. The authors also noted the lack of data on this sector of education.

The 1990s to Date: For-Profit Colleges and Universities in the Mainstream

In comparison to previous periods, the 1990s saw an explosion of interest in for-profit higher education. For example, *The Chronicle of Higher Education* published 26 articles alone on this subject in just 1998 and 1999. In contrast to the previous period's focus on vocational education, all of the articles from 1998 and 1999 in the *Chronicle* addressed for-profit colleges and universities that offer courses at both the undergraduate and graduate levels. The increase in interest has been even more dramatic in the first half decade of the current millennium. In *The Chronicle of Higher Education* alone 24 articles appeared in 2000; 28 in 2001; 16 in 2002; 23 in 2003; 4 in 2004; and 6 so far in 2005.

There have also been articles in the general press and other education-specific publications. With this much literature it now makes sense to examine it on the basis of common themes, rather than discuss each article individually year-by-year. Common themes in the literature from this period include

- Vocational education
- Characteristics of the students
- Lack of data on the sector
- Students primarily interested in education for employment
- Adult students
- Approach of accreditors to for-profit schools
- Teachers as professionals with real world experience
- Paying for college
- Completion rates of students
- For-profits competing with community colleges and other institutions
- Fraud in enrollment

Vocational Education

This period begins as the last period left off, with yet another study of vocational education. However, this work, a book in the ASHE-ERIC Higher Education Reports series by Lee and Merisotis (1990), concerned the nature of vocational education and its relationship to higher education. This study was not strictly a scholarly one because Lee and Merisotis considered policy analysis rather than academic research. It covered such

topics as the lack of data on this sector, the concerns about quality, and the characteristics of the students. In other words the authors covered the topics previously mentioned.

Characteristics of Students

The most striking difference between traditional public and private colleges and universities and the for-profit higher education sector is the nature of the students. In all sectors of higher education the number of nontraditional students has outnumbered the population of fulltime, 18-year-old, residential students for some time (Collis, 2001; Doucette, 1998; Levine, 2001; Morey, 2004). Much of this demand by older adults for higher education has been driven by the need of modern economies for a skilled workforce (Doucette, 1998; Grubb and Lazerson, 2005; Klor de Alva, 1999). As Klor de Alva, associated with the for-profit University of Phoenix, pointed out, "In 1950, only one in five U.S. workers was categorized as skilled by the Bureau of Labor Statistics. By 1991, the percentage had risen to 45 percent, and it will reach 65 percent in 2000" (p. 52).

What are the general characteristics of these nontraditional students? Phipps, Harrison, and Merisotis (2000) reported the following:

> Students attending less-than-4-year, for-profit institutions in 1995-96 primarily were white (58 percent), age 23 or younger (46 percent), and female (67 percent). They were also independent (71 percent), delayed their enrollment for a year or more after high school (69 percent; figure A), attended full time for at least part of the academic year (80 percent), and worked while enrolled (61 percent; figure A). Compared to students at other less-than-4-year institutions in 1995-96, these students were more likely to be female, black, single parents, independent, and in the lowest income quartile (for both dependent and independent students). (p. 1)

Phipps et al. (2000) reported that students attending 4-year for-profit institutions are slightly different from their 2-year counterparts. They described these students:

> In 1995-96, undergraduate students at 4-year, for-profit institutions were different

> than those students at less-than-4-year, for-profit institutions. They were less likely to be female (43 percent compared to 67 percent), have not worked while enrolled (15 percent compared to 39 percent), and have delayed their enrollment for a year or more after high school (53 percent compared to 69 percent). (p. 4)

Similar characteristics were reported by Cheng and Levin in a chapter in Clowes and Hawthorne (Clowes and Hawthorne, 1995).

In what way do students in for-profit regional accredited, degree-granting schools differ from the nontraditional students as described by Phipps et al. (2000) and Cheng and Levin? A report from The Futures Project at Brown University titled *A Briefing on For-Profit Higher Education* (2000) showed these figures:

Table 2

Percentage Distribution of Undergraduates Enrolled in For-Profit Institutions according to Selected Characteristics, By Level of Institution: 1992-93 and 1995-96

		1995-96		1992-93	
		< 4-year	4-year	< 4-year	4-year
	Total	100.0	100.0	100.0	100.0
Gender	Male	32.9	56.8	34.3	46.7
	Female	67.1	43.2	65.7	53.3
Age	23 years of younger	45.9	37.1	50.8	42.4
	24-29 years of age	21.8	23.1	20.7	24.9
	30 years or older	32.3	39.8	28.5	32.8
Race/Ethnicity	White, non-Hispanic	58.1	60.4	49.1	67.3
	Black, non-Hispanic	21.2	15.3	27.1	18.6
	Hispanic	16.5	17.9	18.2	7.6
	Asian-Pacific Islander	3.4	6.1	4.3	6.3
	American Indian/Alaskan Native	0.9	0.3	1.4	0.2
Marital Status	Not married	69.8	65.3	70.0	64.5
	Married	24.5	31.9	24.6	32.9
	Separated	5.7	2.9	5.4	2.7
Single Parent Status	Not a single parent	77.1	87.1	77.2	93.0
	Single parent	23.0	12.9	22.8	7.0
Disability Status	Student has a disability	7.8	4.3	8.1	3.5
	Student does not have a disability	92.2	95.7	91.9	96.6

(table continues)

Table 2 *(continued).*

		1995-96		1992-93	
		< 4-year	4-year	< 4-year	4-year
Dependency Status	Dependent	29.2	30.2	31.3	30.9
	Independent	70.8	69.8	68.7	69.1
	Independent, no dependents	26.1	32.8	29.9	42.5
	Independent, with dependents	44.7	37.0	38.8	26.7
Independent student total income, quartile	Lower quartile	40.4	25.2	46.0	26.3
	Middle quartile	47.6	45.5	43.9	38.8
	Upper quartile	12.0	29.3	10.2	34.9

Source: Futures Project, 2000, p. 7.

In some schools in this sector the students are even older. The average student age reported by the University of Phoenix is 35 years; and for Strayer University, it is 33 years (The Futures Project, 2000). For two other schools the age breakdown is given as:

Table 3

Average Student Age for Strayer University, Compared to National Averages

	Strayer University	Higher Education Average
21 and Under	8%	23.3%
22 to 29	31%	30.3%
30 to 39	36%	13.9%
40 to 49	20%	8.3%
50 and Over	5%	3.3%
Average Age	33	Not available

Source: Futures Project, 2000, p. 8.

Table 4

Average Student Age for ITT Educational Services

	ITT Educational Services
19 or Less	33%
20 to 24	35%
25 to 30	19%
31 to 40	10%
41 +	3%

Source: Futures Project, 2000, p. 8.

The ethnic breakdown is reported by The Futures Project (2000) for several of the larger for-profit colleges as:

Table 5

Ethnic Breakdown for Several Larger For-Profit Colleges

	University of Phoenix – Fall 2000	DeVry Institutes – Fall 1999	ITT Educational Services – Fall 2000	Strayer University – Fall 1999	Higher Education Average
White	61.4%	46%	60%	36%	70.8%
Black	15%	22%	16%	41%	10.7%
Hispanic	10.5%	14%	18%	4%	8.4%
Asian	7.1%	12%	6%	6%	5.9%
Other	6%	6%	1%	13%	4.2%

Source: Futures Project, 2000, p. 9.

Figures for gender at these schools are provided as well.

Table 6

Gender Breakdown for Several Larger For-Profit Colleges

	University of Phoenix – Fall 2000	DeVry Institutes – Fall 1999	Strayer University – Fall 1999	Less-than-4-year For-profit Institutions 1995-96	4-year For-profit Institutions 1995-96	Higher Education Average
Female	54%	27%	55%	67.1%	43.2%	55.9%
Male	46%	73%	45%	32.9%	56.8%	44.1%

Source: Futures Project, 2000, p. 10.

Badway and Gumport (2001) reported similar findings from their analysis of the Integrated Postsecondary Educational Data System (IPEDS) information. The 1999 data reported higher minority enrollment in both 2-year and 4-year for-profit schools, when compared to both public and private 2-year and 4-year schools (p. 13).

Lack of Data on the Sector

Numerous authors have noted the lack of data on this part of postsecondary education (Badway & Gumport, 2001; Belitsky, 1969; Bender, 1991; Breneman, 2005; Clark and Clark, 1966; Clowes and Hawthorne, 1995; DuBois, 1990, Grubb, 1993; Hittman, 1991; Jaeger, 1999; Kelly, 2001; Kinser, 2005; Kinser & Levy, 2005; Zamani-Gallaher, 2004). This problem of a lack of data was noticed as far back as Clark and Clark (1966). At the beginning of this period Bender (1999) pointed to indecision in the community college sector as to whether proprietary colleges were beginning to constitute a significant threat. While examining this phenomenon, he noted the lack of data on this part of postsecondary education. Apling (1993) attempted to address this problem with a comprehensive discussion of vocational proprietary schools and their students in an article in the *Journal of Higher Education*. Clowes et al. (1995) provided a detailed exposition of this problem in the first few sentences of their book on community colleges and proprietary schools:

> Proprietary schools are silent partners in American higher education. The *Encyclopedia of Higher Education* (Clark and Neave, 1992) illustrates the recognition accorded the proprietary school by the rest of higher education: out of almost 300 entries, the *Encyclopedia* gives proprietary higher education one entry. None of the ninety-seven topical chapters in the nine published volumes of the *Higher Education Handbook of Theory and Research* (Smart, 1985-1993) is devoted to, or even addresses, this topic. The ASHE-ERIC Higher Education Reports series has issued eighty-two reports from its inception in 1984 to 1993; only one report was devoted to proprietary schools. The periodical literature in higher education is similarly sparse on this topic. (p. 3)

In this case Clowes et al. (1995) are focused on the vocational sector of for-profit education, but the same is true for the regionally accredited, degree-granting schools.

To assist in remedying this problem, Jaeger (1991) argued that the following data be collected:

- Contain information on enough proprietary school attenders and graduates so that we can estimate labor markets returns with sufficient precision
- Contain information on high school graduates, 2-year, and 4-year non-profit school attenders and completers so that we can measure returns to proprietary school in relation to a variety of "control" groups
- Collect transcript data to accurately capture the heterogeneity in educational experience rather than rely only on self-reporting. In particular, we should not rely on individuals to self-report that they went to a proprietary institution
- Collect information on family background and "ability" measures they should collect detailed work history data so that we can accurately separate the wages returns to education from the wage returns to experience
- They should collect detailed work-related training information so that we can accurately separate the wage returns to education from the wage returns to firm specific training (p. 7)

Badway and Gumport (2001) were concerned with these data and their availability, such as the IPEDS series since it was self-reported. They suggested that researchers use case studies instead of comprehensive data.

Kinser and Levey (2005) in their study of national and international for-profit higher education stated that this lack of data extends to the international sector. As they reported, "International data on for-profit higher education remain sparse, unreliable, and inconsistent" (p. 4). They also noted that "Information on the for-profit higher education sector is sketchy. Even where substantial statistical information exists, as in the U.S., significant gaps inhibit our understanding of who is participating, what curriculum is like, effectiveness, etc." (p. 14).

The authors of dissertations on this subject frequently have noted this problem. For example, DuBois (1990) wrote:

> The proprietary college is an anomaly in postsecondary education. As such, little research has been specifically conducted on proprietary colleges. In fact, there is limited research on proprietary postsecondary education in general, and the majority of the research that has been carried out has failed to differentiate between those institutions that are degree-granting and thus classified as collegiate in nature – institutions of higher education – and those that are non-

> degree-granting which are considered noncollegiate – postsecondary career, vocational or trade schools. (p.30-31)

DuBois (1990) cited Co-Friedlander, Carr, Jones, Schneider, and Greenburg as other dissertation authors who have pointed out the lack of data on this area of higher education. Hittman (1992) stated, “For-profit proprietary schools, until recently, have been all but ignored by the public sector and by researchers in postsecondary education” (p. 2).

Students Interested in Education for Employment

Most authors assume that the students enrolling in for-profit schools rather than non profits are primarily interested in training rather than general education (Berg, 2005b; Breneman, 2005; Collis, 2001; Doucette, 1998; Grubb & Lazerson, 2005; Moore, 1995). Moore provided an example of this when he wrote, “I argue that the mission of most proprietary schools is to train people as quickly and efficiently as possible for entry-level jobs in specific occupations” (p. 64).

Berg (2005a) on the other hand believes that there is a fundamental shift occurring. This shift is seen in a dramatic increase in older, part-time students. With this shift, the interests of the student body as a whole have changed toward an increased interest in vocational and professional oriented courses, which will affect all of higher education. As Berg wrote:

> These changing demographics, combined with the severe revenue pressures felt throughout American higher education, now dramatically press the academy to change. The entrance of the adult learner into undergraduate education marks a major shift in direction for higher education, one perfectly in line with the missions of many for-profit and nontraditional institutions. (p. 3)

Levine (2001) identified five factors that are changing the way consumers view higher education. The first force Levine identified is the rise of the information economy. As the U.S. has moved away from industrial production with its reliance on machines to information-based production with its reliance on information, knowledge and communication have become more important. This shift in the nature of the economy is forcing a shift in the way education is viewed. Levine argued that we are moving away from "just in case" education to "just in time" education (p. 256). We are moving away from an education model that provides education for a possible future use to education and reeducation for immediate needs (Levine, 2001). In this model students learn what they need to know for the moment. When the moment changes, they will return for more education that relates to their new employment.

If students are attracted to for-profit schools due in part to their emphasis on education for immediate employment, what are the job placement rates for the various for-profit institutions? The Futures Project provided these figures.

Table 7

Job Placement Rates for Various For-Profit Institutions

Institution	Job Placement Rate
DeVry University	96%
Career Education	93%
ITT Educational	90%
Education Management	87%
Corinthian Colleges	83%
EduTrek International	83%
Computer Learning	83%
Quest Education	77%

Source: Futures Project, 2000, p. 15.

Grubb and Lazerson (2005) contended that higher education has converted to occupational education, otherwise called professional education. This new term is preferred since it distinguishes this education from the earlier, lower skill vocational education.

A criticism often aimed at the for-profits that relates to education for employment is the lack of general education courses. This is true in the vocational institution. It is less so in the regionally accredited institutions as the accreditors include such courses as part of their requirements. Some schools resist this, such as the University of Phoenix, while others believe such courses are central to the complete education of the student. Berg (2005b) noted this when he writes:

> At DeVry, administrators tell of their students achieving the knowledge and skills to be productive in the workforce at various levels. At the undergraduate level, the curriculum is approximately 25 percent general education. Positioning themselves somewhere in the middle between the University of Phoenix and traditional liberal arts institutions, DeVry attempts to give students a solid grounding in general education to support the students' interest in lifelong learning to complement the practical applications they learn. Administrators at DeVry believe the general education component helps prepare students for lifelong learning that will improve their workplace productivity. (p. 63)

Grubb and Lazerson (2005) also pointed out this de-emphasis of liberal education. In their article they discussed the lack of consensus within the professoriate concerning what higher education should be.

Adult Students

The second force Levine (2001) discussed is the growth in enrollment of part-time, over 25 years of age students. Older students seek a focused, quick, high-quality educational experience. Older students have no need for the trappings of the traditional

school, such as a football team. In Levine's view this makes higher education an investment opportunity for the first time in the history of higher education. Other authors share this view. For example according to Doucette (1995):

> Although there remains a substantial number of eighteen-year-olds who want a full-time, sequential, residential college education, older and nontraditional students have outnumbered these traditional students for nearly a decade. These older students have different demands and require different strategies, programs, and services from the colleges that serve them. Primarily, adult students want convenience. They are sensitive to cost, but they are even more sensitive to issues of time, place, length of commitment, and other aspects of access. What many adult students want is "anytime, anyplace" education and training, and many appear willing to pay for it. (p. 80)

It is an investment opportunity because stripped of the extraneous offerings the cost of delivery of higher education is low compared to the revenue generated.

Berg (2005b) as well highlighted the change in student demographics, writing, "Of those part-time students, the largest average segment was women thirty-five years old and older" (p. 3). In Berg's view this may be the largest change in higher education in the last few decades.

Berg (2005b) expanded on his discussion of adult learners to specifically discuss ethnic minorities. A question sometimes raised about for-profit schools is the high percentage of minority students they enroll. One reason for these higher numbers according to Berg is the recognition by the for-profit providers that they are an underserved market. Further, the for-profits recognize the needs of these students and seek to meet these needs, which commonly include uncertainty about college, concern about financing a college education, the residential lifestyle of the typical student, and the need to find a job upon graduation. To address these concerns the for-profits focus on active recruitment of minority students. Additionally, they emphasize financial

counseling at times convenient for the students, classes are offered at times and at locations that are convenient for students, and active job placement services are provided. Student services are a key to serving these or other needs of students. Berg suggested that if the traditional sector of higher education is having difficulty achieving a diverse student population, they should look to these techniques.

Approach of Accreditors and Regulators to For-Profit Schools

Various types of accreditation relate to for-profit schools. These range from national organizations to the better known regional agencies. The regional accreditation agencies are the ones that apply to this study. The approach these organizations take to the for-profit sector is clearly seen in a report from the Education Commission of the States (ECS) (Brimah, 2000b) from January 2000. ECS summarizes the state of accreditation as of early 2000:

Table 8

Accreditation Rates of Various For-Profit Schools

Organization	Currently Accredited	Eligible or Candidacy	Inquires Per Year
Western	1	4	*
Northwest	7	2	5
North Central	24	3	20
New England	1	0	0
Middle States	12	7	9
Southern Association	11	4	*

Source: Brimah, 2000b, p. 2. *Cannot estimate.

How do the various accreditation commissions view the for-profits? The ECS reported:

> There is a continuum of reactions to and feelings about for-profit institutions among regional accreditors. On one end are accreditors who are suspicious (even fearful) of proprietaries. In the middle are several who accept for-profits as permanent players in higher education and who have some positive things to contribute to higher education. And at the other end are several associations that actually like proprietaries and do not feel that these institutions pose a threat to academe. (p. 1)

For the most part today the for-profits are treated exactly the same as the non profit public and private schools the commissions survey, although some of the agencies are suspicious of the quality of for-profit programs. In general there are no specific standards for the proprietary sector schools. When there are differences these are seen in the adjustments made for the different way in which for-profits are governed and in which income is reported.

Kinser (2005) described the different approaches the various regional organizations take to for-profit schools. In his view this has led to some accreditation shopping. This was also clearly stated by Sperling when he described the move of the University of Phoenix into the North Central area and out of the Western Association. This is particularly true of the distance education programs, with the North Central association being the most accommodating to these types of programs.

The regional accreditation agencies were not always so accommodating to the for-profit institutions. For example, in 1964 the Federation of Regional Accrediting Commissions of Higher Education, at that time the coordinating body for the regional accreditation agencies, adopted a policy that prohibited regional accreditation being

granted to any for-profit higher education institution. Legal action was required to begin the change to the attitude seen today (DuBois, 1990).

The Education Commission for the States has also looked at how the individual states approach regulation of for-profit postsecondary education. This report from ECS was limited to 11 states. An example of the approach taken to regulation is seen in the regulatory structure used in Texas. As the ECS report states:

> Texas – The Texas Workforce Commission licenses all proprietary schools to operate in the state, including both degree-granting and nondegree-granting institutions. Under the authority of Chapter 132 of the Texas Education Code, this agency assumed jurisdiction and control of the system of proprietary schools effective March 1, 1996. The Texas Higher Education Coordinating Board divides oversight responsibility for all degree-granting institutions (public, private nonprofit and for-profit) between two divisions: Community and Technical Colleges (CTC) and Universities and Health-Related Institutions (UHRI). The CTC division oversees institutions offering two-year degrees: associate of applied arts and associate of applied science. The UHRI division oversees institutions offering four-year and graduate degrees. (Brimah, 2005b, p. 3)

What are the differences in regulatory approach taken toward the for-profit institutions? The approach taken in Texas is typical. The ECS report stated that the Texas Coordinating Board takes this stance based on state statue.

> Texas – Under Chapter 5, Subchapter K of the Texas Coordinating Board Rules, the process for obtaining degree-granting authority from the state is identical for both for-profit institutions and private nonprofit institutions of higher education. Under Chapter 12 of these same rules, the standards for curriculum and instruction for proprietary institutions seeking to award applied associates degrees are identical to those for public community and technical colleges in Texas.
>
> Some variation in the process exists to accommodate the fact that proprietary institutions do not receive state funding. Therefore, for example, less budget information is required of proprietary institutions, and duplication of existing programs is not prohibited. Additionally, proprietary institutions are assessed fees for both the application process and continuing operation of all approved degree programs. (Brimah, 2000b, p. 5)

A chapter by Prager in the Clowes et al. (1005) work addresses the various types of accreditation used by the for-profit schools. As they pointed out accreditation by a

recognized agency became important after the passage of the amendments to the Higher Education Act in 1972. This change was required to access federal funds provided as part of the legislation. Prager also points out that regional accreditation agencies use the same standards for the for-profit as they do for the non profit institutions.

Chaloux, as cited in the Clowes et al. (1995) work discussed the extent of state oversight of this part of postsecondary education. According to Chaloux, “The role of the states in the oversight of postsecondary education resembles in many instances, a patchwork quilt. It is a quilt of fifty-one pieces (fifty states and the District of Columbia), each unique in structure and scope” (Clowes et al., 1995, p. 81).

Sperling and Tucker (1992), of the University of Phoenix, pointed out several drawbacks to the current system of accreditation and regulation from their perspective as administrators at the University of Phoenix. Among many issues they raised is the problem that faculty control of the curriculum causes for for-profit institutions. In their view centralized management of the institution by professional administrators is a superior approach, as it allows for rapid changes to be made as conditions change.

The restrictive approach taken by the regional accrediting bodies inhibits the responsiveness of these institutions to changing conditions. In the view of Sperling and Tucker (1997), the state regulators are no better at dealing with what they see as a new and dynamic higher education environment than are the accrediting bodies. In fact they believe the state regulators are the major impediments to the delivery of efficient and effective higher education. As they wrote, “Based on twenty-five years of experience dealing with licensing agencies in twenty-three states, we are confident in asserting that

state regulation does more to restrain trade in higher education than either the accrediting associations or the federal government" (p. 58).

Teachers as Professionals with Real World Experience

From the perspective of the for-profit institutions, having a faculty made up of teachers with real world experience, who are employed on an at-will basis is an advantage. The traditional sector institutions consider such as approach a distinct draw back. What does the literature say about this? Berg (2005a) discussed the organizational structure and what he termed "creative tension" in the for-profits. He began this discussion by pointing out in relation to the University of Phoenix that,

> Although in recent years it has created a network of curriculum chairs, roughly equivalent to department chairs in traditional institutions, the power and authority of faculty members are nothing like that found at traditional institutions. The University of Phoenix is essentially a collection of adjunct faculty (labeled "practitioner faculty") who work on course-by-course contracts. (p. 109)

Certain changes to the typical way of developing and delivering courses are incumbent on a system that relies wholly or partly on part-time faculty. The general term for this is unbundling. In the unbundled approach the curriculum is developed centrally. The deliver of the material is then the responsibility of the faculty at each location. The degree to which the faculty can alter and adjust the delivery depends on the institution. The University of Phoenix is moving toward less and less discretion in this regard, whereas DeVry University leaves much of this up to the local faculty members (Berg, 2005a).

The main reason cited by the for-profits for using practitioner faculty is evident by this quote from a University of Phoenix administrator "An adult who goes back to

school doesn't want to learn about business from somebody who has never been in business. They want to know that this person really understands how theories work in the real world" (Berg, 2005a, p. 153).

Sperling and Tucker (1997) discussed this new form of faculty as well. Their book is based on two principles at the University of Phoenix, and they explained the rationale behind this approach. Other authors such as Kinser (2002) and Newton (2002) described this model of the professional faculty commonly used by the for-profit schools.

Armstrong (2001) believes that by centralizing these functions, this model is highly scalable. This approach will allow the for-profit institutions to compete in every market worldwide.

Ruch (2001) devotes a chapter on the academic culture of the for-profit sector in comparison to nonprofit schools. The major differences he describes include the at-will employment, the strength of the administration, the centralized management of the curriculum, the relative unimportance of faculty ranks, and the need for practical experience.

Paying for College

How students will pay for college and whether they will default on any loans taken out for this purpose is a common theme in news articles on this sector of education. It is less so in the research on for-profits. However, some work along these lines has been done. For example, The Futures Project reported these numbers based on a U.S. Education Department report.

Table 9

Default Rates of Student Borrowers, All Schools, 1995-97

Type of Institution	1995 Borrower Default Rate	1996 Brower Default Rate	1997 Borrower Default Rate
Public 4-year	7.1%	7.0%	6.8%
Public 2-year	14.2	13.2	12.7
Private 4-year	6.9	6.5	5.8
Private 2-year	14.4	14.0	12.1
Proprietary (all)	19.9	18.2	15.4
4-year plus	15.6	14.8	13.1
2-4 years	17.8	16.7	14.2
Less than 2 years	23.6	21.6	18.2

Source: Futures Project, 2000, p. 17.

As this chart shows, the rates of default are higher for the proprietary sector. However, these figures include all levels of for-profit institutions. The schools of interest in this study have better overall rates as reported by The Futures Project report.

Table 10

Default Rates for Schools of Interest to the Present Study

Name of Institution	Default Rate
Apollo Group	5.8%
Edutrek, Int'l	13.7%
Strayer Education	15.2%
Career Education	15.8%
Education Mngt.	16.6%
Computer Learning	16.6%
DeVry	17.0%
ITT Education	17.2%
Avg. for US Proprietary Institutions	18.2%

Source: Futures Project, 2000, p. 18.

Phipps et al. (2000) also discussed how students attending for-profit schools pay for their classes. As they pointed out, these types of students are much more likely to utilize some form of financial aid than are other students, especially at those schools that are less than 4-year programs.

Alexander (2002), in a comprehensive discussion of the development of financial aid policies, also pointed out the higher rate at which for-profit school students utilize financial aid. Alexander put this figure at 63% for dependent students attending private for-profit institutions versus 49% of students in non profit institutions.

Completion Rates of Students

Most studies, such as Moore's (1995), reported completion rates as comparable or better for proprietary students when compared to public and private non profit schools. Most of these studies relate more to vocational students than the regionally accreditated, degree granting institutions.

A report from The Futures Project (2000) on for-profit higher education had some figures specific to the regionally accredited, degree granting part of for-profit postsecondary education. They reported higher certificate or degree attainment rates for for-profit students when compared to students in public institutions. For public institutions after 3 years only 10% of students had earned a certificate or an associate degree. Whereas, for-profit institutions reported a 40% attainment rate for students earning a certificate or degree. The authors pointed out that some of this difference may be due to public institution students having transferred to a 4-year institution.

Badway and Gumport (2001), using both the data from The Futures Project (2000) and from IPEDS stated that "more for-profit than public students complete their degrees or certificates" (p. 17). Badway and Gumport expressed uncertainty as to the reason for this. They suggested it may be due to one or more of the following; lower standards, greater initial selectivity, or better service.

For-Profits and Competition with Community Colleges and Other Institutions

Armstrong (2001) in "A New Game in Town" argued that a fundamental change in who delivers higher education and how higher education is delivered is occurring now. Armstrong noted that competition among the traditional providers of higher education has been rather genteel. This competition to date has been in the following areas: on the athletic field, for students, for faculty, and for grants. None of this competition causes any fundamental changes in the institutions themselves (p. 479). Armstrong argued that this is changing. One of the factors driving this change is for-profit higher education. Armstrong believes for-profit providers are well-positioned to compete with even the top-level research universities due to the approach they take to higher education. As Armstrong pointed out, the for-profits focus on education. The aspects of higher education commonly seen at the traditional schools that do not directly relate to education are omitted, such as athletics. The focus is on the student.

Will this competition from for-profit providers be limited to the research universities? Several authors think not. Boggs, Kevser, Otte, Robertson, and Swalec (2001), Doucette (1998), Bender (1991), Winston (1999), Farmer and O'Lawrence (2002), Outcalt and Schirmer (2003), Badway and Gumport (2001), and Zeiss (1998) all

addressed the impact of for-profit providers on the community college sector. They concluded that these providers will significantly impact the mission, scope of offerings, and enrollment of community colleges.

Farmer and O'Lawrence (2002) attempted to downplay this impact by comparing community colleges to that part of the for-profit sector commonly called trade schools. But the mere existence of their research and the reason cited for subsequent publishing of the article speak to the concern in the community college ranks. As the authors noted, "The problem of this study was based on a need in Pennsylvania to provide legislators and educational leaders with appropriate information to make intelligent decisions on the management of postsecondary technical education because of the urgency for more accountability" (p. 5).

Zeiss (1998) on the other hand believes that the for-profits will constitute a significant threat to community colleges. He wrote, "Yes, there is competition for community colleges, and it's spelled with a capital 'P' for proprietary colleges" (p. 8). Berg (2005b) quoted the founder of the University of Phoenix, John Sperling, who believes they are not competing as much as expanding the market. Berg quotes Sperling as saying, "'We create new markets that they haven't touched. So if you look at a graph of our enrollment versus the enrollment in traditional education, the overlap is about 15 percent at most'" (p. 94).

Badway and Gumport pointed out that most community college staff do not perceive the for-profits as representing a significant threat to the community colleges. This is due to the community college staff's view that the for-profit schools are of lower quality and only offer a limited curriculum. Badway and Gumport suggested that this is

due more to lack of knowledge on the part of the community college staff, than any analysis that they have performed. (Badway and Gumport, 2001)

Collis (2001) whose research focused on the economic impact of the higher education market believes for-profit providers will impact all sectors of higher education. With education constituting close to 10% of the gross domestic product, this is too large of a segment of the economy to remain untouched. Collis sees the over $260 billion higher education sector changing in the same manner as did the health care industry. Collis has seen it developing in this way.

> Together, changing demand and new technology will open the floodgates to private capital in much the same way that the healthcare sector has been inundated over the last 30 years. In 1966, healthcare accounted for eight percent of GDP but only three percent of private sector gross fixed capital formation. By 1996 healthcare's share of GDP had increased to 14 percent, while its share of private sector capital formation has also reached 14 percent. Today, higher education accounts for about three percent of GDP, but less than 0.1 percent of private sector capital formation. (p. 13)

In contrast to Collis (2001), Winston (1999) saw the for-profits as having a significant impact on only part of the higher education sector. Winston argued that "those schools with meager donative resources that give their students quite modest subsidies" will be most affected. The wealthier, higher-subsidy schools will be less affected" (p.18). This is due, according to Winston, to the ability of the for-profits to deliver education at a lower cost than traditional schools while still making a profit

Breneman (2005) does not see any risk of competition from the for-profit providers. Instead he sees them extending the size of the overall market by bringing in students who would otherwise never be attracted to higher education. He further believes the higher education market is a mature industry, with little room for growth in the number of institutions.

The U.S. higher education market is not the only one where privatization is expected to have an impact. Chipman (2002) discussed the role of for-profit higher education in Australia, as does Sinclair (2003). Levy (2002) pointed out the increase in privatized higher education in other countries such as South Africa, Brazil, China, Jordon, Malaysia, the Philippines, and Ukraine. Newman et al. (2004) also detailed the growing penetration of private education institutions in general around the world and the for-profit sector in particular. McCowan (2004) discussed the impact of the profit incentive in higher education in Great Britain.

Gary A. Berg (2005a) in *Lessons from the Edge: For-Profit and Nontraditional Higher Education in America* argued that we may be seeing a fundamental change in the way higher education is carried out in America, if not worldwide. According to Berg, several factors, beginning with the G.I. Bill to the Higher Education Act of 1965, have resulted in higher education being opened wider to minorities, women, and lower economic class students. To Berg, a shift to for-profit based higher education may be taking place right now. He wrote:

> Perhaps the approaches that for-profit institutions such as the University of Phoenix and DeVry University take are occurring at the right time and place. We may look back fifty years from now and say that these nontraditional institutions changed higher education at the turn of the century and led the way to important and necessary changes. (Berg, 2005a, p. 1)

Fraud in Enrollment

Several articles and studies have pointed out the problem the for-profits have had with marketing and enrollment practices (Badway & Gumport, 2001; Moore, 1995; Ruch, 2001). This problem includes not just the vocational schools, but has touched some of the

degree granting schools as well. Moore cited as an example of this:

> During the 1980s and into the 1990s, proprietary schools were the focus of a series of media exposes in major newspapers such as the Los Angeles Times and television shows such as 60 Minutes. Controversy focused largely on allegations that schools enrolled disadvantaged students who were heavily subsidized by federal student aid and failed to deliver training of any value, leaving students saddled with student loans and no marketable skills. (p. 61)

Badway and Gumport (2001) pointed out that this problem produced a change in the regulations governing this sector's use of government funding by establishing stricter eligibility requirements for using Title IV loan funds, an increase in the minimum length of programs, more stringent recruiting and admission practices, and more difficult accreditation standards.

Ruch (2001), an administrator at one of the for-profit institutions, acknowledged that there is a constant tension between the two sides of the for-profit postsecondary institution; one side seeks to increase shareholder value, while the other side seeks to produce the educated person. To balance these two forces, the for-profit schools are faced with a constant tension between the two sides. Berg (2005a) points this problem out as well.

Conclusion

What has been the overall result of these trends as revealed by the literature review? To Grubb and Lazerson (2005) the result can be seen in their recent article in the *Journal of Higher Education* titled "Vocationalism in Higher Education: The Triumph of the Education Gospel." Here they discussed the shift of higher education to a focus on occupational or, as they preferred to call it, professional education. The terminology is to distinguish this from lower-level vocational education such as that discussed by Farmer

and O'Lawrence (2002). This difference in emphasis is to point out that while vocational education focuses solely on job skills, professional education also covers those elements thought necessary for a well-rounded education, such as moral, civic, and intellectual development in the student. To Grubb and Lazerson this shift in emphasis has led to the rise of a new type of higher education institution. As they reported this is a new type, "second-tier, comprehensive public university, especially attentive to regional labor market demands and to those occupations that gain social status by being embedded in a university program" (Grubb & Lazerson, 2005, p. 7).

Grubb and Lazerson (2005) may think they are describing publicly funded universities, but they could not have written a better description of what the for-profit universities are doing as well. The key point is the rise of professional education that is oriented toward job skills. For-profit higher education institutions are well suited to address this need.

None of the literature reviewed here has addressed two major questions concerning the study of for-profit higher education. Who is studying for-profit higher education? Further, how should the study of for-profit higher education be carried out? If this is an emerging specialty in higher education, it should be examined on a continuing basis. Thus the literature review demonstrates the need for a study such as this one.

CHAPTER 3

METHODOLOGY

Research Design

The problem addressed by this study is the identification, characterization, and evaluation of the programs that offer graduate education focusing on for-profit higher education. This was accomplished by a survey of the existing programs that provide instruction at the graduate level in the field of higher education.

Population

The population for this study consisted of all the institutions that appear on the list shown in Appendix A. The list was generated from the Association for the Study of Higher Education (ASHE) database. On this list are educational entities in the United States of America ASHE records as offering programs focusing on the field of higher education. The list was produced on 1 October 2006. This lists numbers 195 institutions. It is current as of July 2003. Due to the small population size for this study the entire population was surveyed.

Instrument

The instrument used for this study consisted of a 30-item questionnaire. The questionnaire contained a set of closed-ended and open-ended questions. In the closed form a selection of one or more pre specified responses was allowed in most cases. Some

questions included an Other category that allowed for text entry. For the open-form items, the respondent was able to respond as desired within the confines of the instrument. These questions were incorporated into an online survey instrument. The instrument was created and housed at a commercial survey research provider's location (Appendix C).

Procedures for Data Collection

The names and addresses of the principal contact for each of these programs were selected by using the contact information listed in the ASHE directory for the school, the college, or the program.

An email message was sent to the program contacts. This message explained the purpose of the research, the method used for data collection, and instructions on how to complete the survey. A similar set of instructions were presented to the respondent before they began the survey (Appendix D).

Procedures for Data Analysis

Once the data were collected the resulting information was analyzed to provide the required descriptive information concerning the extent of research and teaching that focuses on for-profit higher education. Data are presented in appropriate formats, such as tables of frequencies and percentages in the next chapter.

CHAPTER 4

FINDINGS

The general purpose of this study was to provide current information on the extent of research and teaching focusing on for-profit higher education among regionally accredited colleges and universities in the United States. The study identified 195 colleges and universities in the United States of America that offer programs in higher education in one form or another. A survey questionnaire was sent to the contact for each of these programs listed in the ASHE Higher Education Program Directory created by the Association for the Study of Higher Education. This information was current as of July 2003.

The Survey Instrument

The survey instrument used for this study was adapted from a questionnaire used in a similar study. The original use of the questionnaire was to assess public safety curricula in American community colleges. For this current study the questionnaire was shortened to 30 questions. These questions sought to determine the extent of research and teaching that focused on for-profit higher education.

Survey Responses

Of this population of 195 programs 28 valid responses were received. This is a 14.36% response rate. Alreck and Settle (2004) reported common response rates for

direct mail surveys of from 5% to 10% (p.36). Sheehan (2001) in a study of email survey response rates, reported a steady fall in response rates to online surveys year by year. In 2000 the last year for which she reported data, the mean response rate was 24%. For the previous year the mean response rate was 27.5% with a standard deviation of 10.65. The response rate of this study falls within the ranges expected based on these studies of response rates to various types of surveys.

The data from the survey, combined with the information from the literature review, provide a basis for conclusions on the extent of research and teaching that deals with for-profit higher education as specified by the research questions presented earlier.

Presentation of Findings

In reporting the findings of this study, two methods are used. First, the responses received for each question are provided in summary form. Second, the application of these responses to the research questions is presented.

Question by Question Responses

Question 1 - In your institution is there a research or teaching division, department, or other functional unit that incorporates For-Profit or Proprietary into its title?

The first question was designed to determine if any of the programs in higher education had a part of their program area that dealt exclusively with for-profit higher education. Based on the responses received, there are none.

Table 11

Functional Area Focused On For-Profit Higher Education

Answer	Count	Frequency
No	31	100.00%
Yes	0	0.0%
Total	31	100.00%

Question 2 - What is the exact title of the unit or area?

If such a unit existed, this open-ended question sought the exact title of the unit or area. As none are in existence, no answers were received for this question. Some respondents listed the title of their program.

Question 3 - What is the purpose of this unit or area?

If such a unit/area existed, this open-ended question asked the purpose of the unit.

Question 4 - Are for-profit higher education focused degrees, programs, and/or courses currently offered within this unit at this institution?

Table 12

Are For-Profit Degrees, Programs, or Courses Offered?

Answer	Count	Frequency
No	21	91.30%
Yes	0	0.0%
Other	2	8.70%
Total	31	100.00%

Of the two respondents who selected the "Other" response, one elaborated on the answer, saying that for-profit higher education was not a focus, but was a topic discussed.

Question 5 - Are for-profit-related higher education-focused degrees, programs, and/or courses currently offered within another unit at this institution?

Table 13

Does Another Unit Offer For-Profit Higher Education?

Answer	Count	Frequency
No	25	92.59%
Yes	2	7.41%
Total	27	100.00%

This question sought to determine if for-profit-focused courses, degrees, or other programs were offered at any location associated with the institution. Once again, little activity was reported in this area.

Question 6 - What is the exact title of this other unit or area that offers these degrees, programs, or course related to for-profit higher education?

As seen above in Question 2, this open-ended question sought the exact title of the unit or area. The answers provided by the two respondents who answered Yes also listed the title of their program.

Question 7 - At what level or levels is course content offered that deals with for-profit higher education at your institution?

Table 14

At What Level Are Courses Offered?

Answer	Count	Frequency
No courses	13	59.09%
Undergraduate	0	0.0%
Graduate	9	40.91%
Total	22	100.00%

Where coursework related to for-profit higher education was offered it was exclusively at the graduate level.

Question 8 - Are there plans to offer for-profit-related higher education degrees, programs, and/or courses at this institution?

Table 15

Are There Plans to Offer For-Profit Related?

Answer	Count	Frequency
No	23	92.00%
Yes	2	8.00%
Total	25	100.00%

As the responses to this question show there is limited interest in initiating for-profit-related content where none yet exists.

Question 9 - Within the last 3 years, have any for-profit-related higher education degrees, programs, and/or courses been deactivated at this institution?

Table 16

Has a For-Profit Related Unit Been Deactivated?

Answer	Count	Frequency
No	26	100.00%
Yes	0	0.00%
Total	26	100.00%

To the extent that coursework or other content related to for-profit education is currently in place, at least none of the existing content has been dropped. This indicates at least steady interest in this area of study.

Question 10 - How many courses related to for-profit higher education are offered at this institution?

Table 17

How Many Courses are Offered?

Answer	Number	Frequency
0	10	66.67%
1	1	6.67%
2	3	20.00%
3	0	0.00%
4	1	6.67%

This open-ended question produced information on the number of courses offered that focus on for-profit higher education. No institution offered more than four courses related to for-profit higher education.

Question 11- List all courses that include content related to for-profit higher education.

In the answers provided for this open-ended question, only a single course focused exclusively on for-profit higher education. For the other nine courses listed by various respondents, the for-profit content was only a portion of the total material covered in the course. The single course is titled Privatization in Higher Education.

Question 12 - What percentage of the courses on for-profit higher education listed above are taught by fulltime faculty?

Table 18

Percentage Taught By Fulltime Faculty

Answer	Number	Frequency
50	1	16.67%
100	5	83.33%
Total	6	100.00%

As this open-ended question along with the next question indicates the majority of the courses related to for-profit higher education are taught by fulltime faculty.

Question 13 - What percentage of the courses on for-profit higher education listed above are taught by adjunct faculty with experience in for-profit higher education?

Table 19

Percentage Taught By Adjunct Faculty

Answer	Number	Frequency
50	1	100.00%
100	0	0.00%
Total	1	100.00%

When considered with the Question 12 above, it is clear that the majority of the courses focusing on for-profit higher education are taught by fulltime faculty.

Question 14 - How many students are graduated each year on average whose course of study focused on for-profit higher education at each of these degree levels?

Table 20

Students Graduated

Answer	Number	Frequency
Undergraduate	0	0.00%
Graduate	2	100.00%
Total	2	100.00%

The limited number of students who focus their course of study on for-profit higher education are all graduate students, as the answers to this question demonstrate.

Question 15 - How many fulltime faculty members working for this institution conduct research on for-profit higher education?

Table 21

Fulltime Faculty Conduct Research on For-Profit Higher Education

Answer	Number	Frequency
0.0	11	78.57%
1.0	1	0.07%
1.5	1	0.07%
2.0	1	0.07%
Total	14	100.00%

This open-ended question provides information on the extent of interest in

research on for profit higher education. As seen in Table 12, of the 14 specific responses to this question only a three fulltime faculty members showed any interest in this area of research.

Question 16 - How many adjunct faculty members working for this institution conduct research on for-profit higher education?

Table 22

Research on For-Profit Higher Education Conducted by Adjunct Faculty

Answer	Number	Frequency
0.0	12	80.00%
1.0	1	0.07%
1.5	0	0.00%
2.0	2	0.13%
Total	15	100.00%

Of interest here is the number of adjunct faculty reported to be conducting research on for-profit higher education. It is the same number as fulltime faculty members.

Question 17 - Has this institution sponsored or assisted with any conferences or other meetings of scholars whose primary focus was for-profit higher education?

Table 23

Conference Sponsorship

Answer	Count	Frequency
No	21	95.45%
Yes	1	4.55%
Total	22	100.00%

Only one institution has sponsored a conference or other meeting whose primary focus was for-profit higher education.

Question 18 - Over the last 3 years has overall enrollment in the for-profit higher education program

1. Decreased
2. Increased
3. Stayed the Same
4. Does Not Apply
5. Other

Table 24

Overall Enrollment in the For-Profit Higher Program

Answer	Number	Frequency
Decreased	0	0.00%
Increased	0	0.00%
Stayed the Same	0	0.00%
Does Not Apply	18	100.00%
Other	0	0.00%
Total	18	100.00%

As might be expected with so little interest in for-profit higher education, there were no programs dedicated to for-profit higher education. Therefore no change in enrollment is expected.

Question 19 - Over the last 3 years has the number of degrees awarded in the for-profit higher education program

1. Decreased
2. Increased

3. Stayed the Same
4. Does Not Apply
5. Other

Table 25

Degrees Awarded in the For-Profit Higher Program

Answer	Number	Frequency
Decreased	0	0.00%
Increased	0	0.00%
Stayed the Same	0	0.00%
Does Not Apply	18	100.00%
Other	0	0.00%
Total	18	100.00%

Absent any programs dedicated to for-profit higher education there have been no degrees awarded in this regard.

Question 20 - Over the last 3 years has the job placement rate for graduates of the for-profit higher education program

1. Decreased
2. Increased
3. Stayed the Same
4. Does Not Apply
5. Other

Table 26

Job Placement Rate

Answer	Number	Frequency
Decreased	0	0.00%
Increased	0	0.00%
Stayed the Same	0	0.00%
Does Not Apply	20	100.00%
Other	0	0.00%
Total	20	100.00%

As there are no graduates, no one has been placed in a position based on their focus on for-profit higher education.

Question 21 - In your geographic area is there an adequate pool of qualified adjunct instructors who can teach in a for-profit higher education program?

Table 27

Adequate Pool of Qualified Adjunct Instructors

Answer	Count	Frequency
No	0	0.00%
Yes	6	26.09%
I Do Not Know	12	52.17%
Does Not Apply	5	21.74%
Total	22	100.00%

For those courses that are taught with a focus on for-profit higher education, there are adequate numbers of adjunct instructors to teach these courses. As noted above, the problem is that few for-profit related courses are taught by anyone.

Question 22 - Does your institution rely too much on adjunct instructors to teach courses in the for-profit higher education program?

Table 28

Are Adjunct Instructors Used Too Much?

Answer	Count	Frequency
No	2	8.70%
Yes	0	0.00%
I Do Not Know	2	8.70%
Does Not Apply	19	82.61%
Total	23	100.00%

The limited number of responses to this question provides some indication that the use of adjunct instructors to teach courses on for-profit higher education is well balanced.

Question 23 - Is there adequate institutional support for the program on for-profit higher education?

Table 29

Adequate Institutional Support

Answer	Count	Frequency
No	0	0.00%
Yes	1	4.35%
I Do Not Know	6	26.09%
Does Not Apply	16	69.57%
Total	23	100.00%

With the limited number of programs related to for-profit higher education the answers to this question provided no firm indication of the degree of institutional support

for a program of study on for-profit higher education. This is not surprising considering the limited number of programs in existence.

Question 24 - Is the administrator of the for-profit higher education program expected to seek external funding to support the program for the study of and instruction concerning for-profit higher education?

Table 30

Are Administrators Expected to Seek External Funding?

Answer	Count	Frequency
No	1	4.35%
Yes	0	0.00%
I Do Not Know	2	8.70%
Does Not Apply	20	86.96%
Total	23	100.00%

Once again, only limited information was available concerning the expectation that the program on for-profit higher education sought external funding to support its activities.

Question 25 - Do you expect enrollment to increase or decrease in courses focusing on for-profit higher education?

1. Decrease
2. Stay the Same
3. Increase
4. I Do Not Know
5. Does Not Apply
6. Other

Table 31

Enrollment Trend

Answer	Number	Frequency
Decrease	0	0.00%
Stay the Same	1	4.35%
Increase	0	0.00%
I Do Not Know	3	13.04%
Does Not Apply	19	82.61%
Other	0	0.00%
Total	23	100.00%

The limited enrollment in programs that offer courses that focus on for-profit higher education has not been dropping, as the answers to this question indicate.

Question 26 - If you expect a change in enrollment in the for-profit higher education program, why do you expect this change?

1. Decreased interest in this area of higher education
2. Increased interest in this area of higher education
3. Does Not Apply
4. Other

Table 32

Reason for Change in Enrollment

Answer	Number	Frequency
Decreased interest	0	0.00%
Increased interest	0	0.00%
Does Not Apply	22	100.00%
Other	0	0.00%
Total	22	100.00%

Because no one reported a change in enrollment, no answers were received for this question.

Question 27 - As the administrator or faculty of the for-profit higher education program at your institution, list the opportunities and/or prospects for for-profit higher education programs in the next 5 years.

The limited responses to this open-ended question provided some support for the study of for-profit higher education. These answers also further indicate that several of the respondents were confused as to the purpose of the survey.

Question 28 - As the administrator or faculty of the for-profit higher education program at your institution, list the problems or challenges for for-profit higher education programs in the next 5 years.

As indicated above, there was some interest in expanding the offering in this area of study. Once again there was indication of confusion as to the purpose of the survey.

Questions 29 - Enter any general comments on this survey here.

This proved to be one of the most useful questions. The answers provided insight into the confusion experienced by some respondents concerning the purpose of this survey. As discussed in chapter 5 some of this confusion may be due to the nature of the survey itself, but some may be due to the lack of interest in the study of for-profit higher education.

Question 30 - The last question asked for contact information if the respondent was interested in receiving the results of the survey. Two requests were received.

Results for Each Research Question

What does the information reported above say about the original research questions? The first question focused on programs that have for-profit higher education as the prime interest. Sufficient information was received to answer this question. The question itself asked;

1. What programs currently exist in American colleges and universities at the graduate level that focus on for-profit higher education?

Questions 1, 2, 3, 4, 5, 6, 7, 8, and 9 from the survey instrument provided information in regard to this question. As discussed previously there is limited coverage of for-profit higher education among the programs in the field of higher education. The single elaboration on question 4 stated this quite well. The respondent said that for-profit higher education was not a focus, but was a topic of discussion. The responses to question 7 show that the courses that exist are exclusively at the graduate level. Question 8 indicates some interest in expanding the coverage of for-profit higher education. Two respondents answered that there are plans to offer for-profit related degrees, programs, or courses in the future.

The second research question sought information on the specifics of the offerings focusing on for-profit higher education. This question asks;

2. What elements, such as courses on aspects of for-profit higher education, research on for-profit higher education, and conferences in whole or in part on for-profit higher education, are included in the existing programs?

The answers to questions 10, 11, 16, and 17 provided information on this research question. Specifically, Question 10 asked for the number of courses that relate to for-profit higher education. Five positive responses were received. Of these 5, 1 institution offers a single course; 2 institutions offer three courses on for-profit higher education;

and 1 institution offers four courses on this topic. According to the responses from this study, there are 11 courses that include for-profit higher education topics. Question 11 provided more detailed information on the degree of coverage of for-profit higher education within these 11 courses. An examination of the course titles provided suggests that only a single course, Privitization in Higher Education, has for-profit higher education as its primary focus. In all other cases this is only a topic among many covered in the course. Question 17 shows that a single institution has sponsored a conference or other meeting whose main focus was for-profit higher education.

As the responses showed there is interest in for-profit higher education; however, it is limited. Only a single course had this topic as its focus.

The third research question asked if the current offerings are sufficient to properly cover the topic of for-profit higher education. The question asks;

3. Do these programs meet the need for comprehensive education in the provision of and research into for-profit of higher education?

To answer this research question the responses to questions 12, 13, 14, 15, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, and 28 are discussed. Questions 12 and 13 examined the number and type of faculty who teach for-profit related courses. Most of the courses are taught by fulltime faculty. These faculty members support very few students. The responses to Question 14 reported only two students among the institutions that responded.

Research on for-profit higher education is of little concern, based on the answers to Question 15. The 14 responses to this question listed 4.5 faculty members who engage in research on this topic.

Questions 18, 19, and 20 produced responses showing there is little done on this topic. All three questions were answered "Does Not Apply." This further indicates that the study of for-profit higher education is at best a minor concern to most faculty members.

The responses to questions 21, 22, 23, and 24 suggest that the lack of activity on this topic is not due to a lack of resources. Even if fulltime faculty members are not available for this task, sufficient adjunct faculty members are available. Institutional support is not lacking either.

Because enrollment is limited, the answers to questions 25 and 26 suggested no dramatic change in the already limited number of students. A single respondent specifically stated that enrollment will stay the same. No detail was provided by any other respondent.

The final two questions, 27 and 28, called for open-ended responses. Both of these sought comment on the prospects and challenges that will impact for-profit higher education programs, research, and courses. As indicated above, the respondents provided no definitive information in their answers to these two questions. However, the responses received did provide some support for the study of for-profit higher education.

In summary, the responses to this instrument provided support for the conclusion that there is interest in research and teaching that focuses on for-profit higher education at the graduate level among colleges and universities in the United States of America. However, this interest is severely limited. Few institutions indicate any interest in this topic. The majority that do exhibit interest in this topic see it as merely one topic among many to be covered in a course on a subject, such as higher education finance.

CHAPTER 5

DISCUSSION

Summary of Findings

As detailed in chapter 4, the results of this research confirm that there is limited activity in research and teaching that focuses on for-profit higher education. Based on the results of the literature review, this was not unexpected.

Discussion of Findings

As the information provided by this survey shows, there is limited interest at present among those colleges and universities in the United States of America who have a program of study in one aspect or another of higher education. This finding was expected based on the literature review for this study. This literature review identified all of the major works on this topic. This limited set of only 102 published articles from 1966 to 2005 suggests that research activity is limited on this topic.

Published articles provided no indication of the number that were submitted, but then rejected by either the editors of the various publications or the reviewers. It is possible that there is a large unpublished body of work on this topic. However, the results of this research suggest that is not the case.

Publishing research on a topic does not necessarily indicate the level of teaching on this or any other subject. This study provides evidence that teaching on this topic is limited as well. Of the 11 courses listed as having content dealing with for-profit higher

education, only a single course listed for-profit higher education as possibly the main topic of the course. In all other cases this subject was one of many covered during the course.

Conclusions

The results of this study lead to two conclusions. First, little research is being carried out on for-profit higher education. Second, few courses include any content related to for-profit postsecondary education.

Recommendations

Research and Teaching on For-Profit Higher Education

As reported here, there is a distinct lack of focus on for-profit higher education, despite its high growth rate. It is clear that the current individual efforts that start and stop as interest shifts to other things are inadequate. A more formal approach to the investigation of this segment of the postsecondary education market is needed. In particular, a more concerted effort should be made to collect and provide basic information on for-profit higher education. The question is what should such an effort look like? This question is answered in this section.

For-profit higher education is entering a mature stage. As a Zacks Investment Research press release from 24 April 2006 noted,

> The biggest concern for companies in the space is decelerating top-line growth and margin pressure from rising marketing costs in a more competitive environment. These two issues were at the forefront of the recent negative quarterly earnings pre-announcement from Universal Technical Institute (NYSE:UTI), which is struggling to contain costs as it works to improve utilization rates at new facilities. The issues are not just impacting UTI, however,

> as enrollment growth across the industry has decelerated in recent quarters. Although top-line growth rates remain well ahead of rates achieved by companies in other mature industries, top-line growth is noticeably decelerating after several years of above average, perhaps even unsustainable growth for the major players. (Zacks, 2006)

How then should research on this segment of higher education proceed? As research informs the activities, it should be the centerpiece of any effort. From this arises the balance of the activities required for comprehensive coverage of for-profit higher education.

A Research and Teaching Center

Many elements constitute a comprehensive research effort. The best way to organize and coordinate these various efforts is through a research center. A cursory examination of the Web sites of the institutions included in the population used for this study finds 14 research centers of one type or another based in the United States of America, and 3 in other countries, that are dedicated to the study of higher education. Of these 14, only 1 has any mention of for-profit higher education.

The Curry School of Education at the University of Virginia has a research project listed on their Web site that is intended to focus on for-profit higher education. However, this project appears to be dormant based on the age of the information on that part of the Curry school's web site.

The following elements are logical parts of a research center that would have for-profit higher education as its primary focus.

- A clearinghouse for grants for research on for-profit higher education
- Publication of a journal dedicated to this topic

- Publication of regular research reports on this topic
- Publication of books on for-profit higher education
- A reading list of the major works related to for-profit higher education
- A database on for-profit higher education
- A regular conference to stimulate interest in this topic
- A newsletter on developments in for-profit higher education

In addition to this research center a set of courses should be developed leading to a concentration in for-profit higher education.

Courses such as leadership, administration, readings, student affairs, legal issues, marketing, and finance all have aspects that are different in the for-profit environment.

Finally, to help drive forward renewed interest in research on for-profit higher education these topics are suggested as areas that need work.

1. The student body of most for-profit institutions is highly diverse. Why do the for-profit providers attract minority students when the traditional schools do not?

2. Are more first-generation students enrolled in for-profit regionally accredited institutions as compared to publicly funded colleges and universities? If so, why is this?

3. In what way do the leaders of for-profit higher education differ in background and outlook to those in traditional institutions?

4. What forms of financial assistance are available to students at for-profit institutions? In what way is this different from that available at traditional public and private schools? What justification is there for such differences?

5. One of the strengths of for-profit schools is alleged to be their high level of student services. How does the perception of the level of student services provided in for-profit schools compare to that provided in other types of institutions?

6. Do the regional accreditation agencies review the for-profit schools using a method that differs from that applied to nonprofit schools? If so, what is the justification for this difference?

7. How do the characteristics of the professoriate in the for-profit sector differ from those members who are part of the nonprofit sector of higher education?

8. In what ways do the functions of administration in for-profit schools differ from the functions in publicly funded institutions?

9. How is the strategic planning process applied in the for-profit sector? Are these plans any more likely to be implemented as program plans than is the case in the nonprofit sector?

10. Is the for-profit model the future of higher education? Will the general trend toward applying a market economy to all parts of the general economy lead the various state governments to reduce funding to the extent that the currently publicly funded institutions will be forced to move to a for-profit model?

This research study has demonstrated that research on for-profit higher education is currently limited in scope. However, there is much that needs to be examined in this important sector of higher education.

APPENDIX A

ASHE HIGHER EDUCATION PROGRAM DIRECTORY

Auburn University

University of Alabama

Arizona State University

Northern Arizona University

University of Arizona

Arkansas State University

University of Arkansas-Fayetteville

University of Arkansas at Little Rock

Argosy University-Orange County

Azusa Pacific University

California State University, Long Beach

California State University, Los Angeles

Claremont Graduate University

Pepperdine University

San Diego State University

San Francisco State University

San Jose State University

Stanford University

University of California, Berkeley

University of California, Los Angeles

University of Redlands

University of San Diego

University of Southern California

Colorado State University

University of Denver

University of Northern Colorado

Central Connecticut State University

University of Connecticut

University of Delaware

American University

George Washington University

Barry University

Florida A & M University

Florida Atlantic University

Florida International University

Florida State University

Nova Southeastern University

University of Florida

University of Miami

University of South Florida

Georgia Southern University

Georgia State University

University of Georgia

University of Hawaii-Manoa

Idaho State University

DePaul University

Eastern Illinois University

Illinois State University

Loyola University

Northwestern University

Southern Illinois University at Carbondale

University of Illinois at Chicago

University of Illinois at Urbana-Champaign

Western Illinois University

Ball State University

Indiana State University

Indiana University

Purdue University

Drake University

Iowa State University

University of Iowa

University of Northern Iowa

Emporia State University

Kansas State University

Pittsburg State University

University of Kansas

Eastern Kentucky University

Morehead State University

University of Kentucky

University of Louisville

Western Kentucky University

Louisiana State University

University of New Orleans

University Southern Maine

University of Maine

Morgan State University

University of Maryland, Baltimore County

University of Maryland, College Park

Boston College

Boston University

Harvard University

Northeastern University

Springfield College

University of Massachusetts - Amherst

University of Massachusetts - Boston

Andrews University

Central Michigan University

Eastern Michigan University

Grand Valley State University

Michigan State University

University of Michigan

Western Michigan University

Minnesota State University, Mankato

Minnesota State University, Moorhead

St. Cloud State University

University of Minnesota

University of Saint Thomas

Mississippi State University

University of Mississippi

University of Southern Mississippi

Central Missouri State University

Saint Louis University

Southeast Missouri State University

University of Missouri-Columbia

University of Missouri-Kansas City

University of Missouri-St. Louis

Truman State University

Montana State University

Creighton University

University of Nebraska at Kearney

University of Nebraska at Lincoln

University of Nebraska at Omaha

University of Nevada - Las Vegas

University of Nevada - Reno

University of New Hampshire

Rowan University

Seton Hall University

Alfred University

Baruch College

Buffalo State College

Canisius College

Columbia University

New York University

St. John's University

SUNY at Albany

SUNY College at Brockport

Syracuse University

University of Rochester

Appalachian State University

North Carolina State University

University of North Carolina at Greensboro

Western Carolina University

University of North Dakota

Antioch University McGregor

Bowling Green State University

Kent State University

Miami University

The Ohio State University

Ohio University

University of Akron

University of Dayton

University of Toledo

Wright State University

Northeastern State University

Oklahoma State University

University of Central Oklahoma

University of Oklahoma

Oregon State University

Portland State University

Edinboro University of Pennsylvania

Geneva College

Indiana University of Pennsylvania

Kutztown University

Pennsylvania State University

Shippensburg State University

Temple University

University of Pennsylvania

University of Pittsburgh

Widener University

University of Rhode Island

Clemson University

University of South Carolina

University of South Dakota

East Tennessee State University

University of Memphis

University of Tennessee

Vanderbilt University

Baylor University

Dallas Baptist University

Texas State University - San Marcos

Texas A & M University

Texas A & M University-Commerce

Texas A & M University-Kingsville

Texas Southern University

Texas Tech University

University of Houston

University of North Texas

University of Texas

Brigham Young University

University of Utah

University of Vermont

The College of William and Mary

Hampton University

James Madison University

Old Dominion University

Radford University

University of Virginia

Virginia Polytechnic Institute and State University

Eastern Washington University

Seattle University

Marshall University

West Virginia University

University of Wisconsin-La Crosse

University of Wisconsin-Madison

University of Wyoming

APPENDIX B

INFORMED CONSENT NOTICE

My name is Ken Chipps and I am a graduate student in the Education Department at the University of North Texas. I am conducting an online study about for-profit higher education.

If you agree to take part in this study, you will be asked complete a questionnaire about for-profit higher education. It will take approximately 20 minutes to complete. Participation in this study may benefit you by learning what institutions are conducting research, offering courses, or holding conferences focusing on for-profit higher education. Your responses may help us learn more about the extent of interest in the study of for-profit higher education.

Participation in this study is completely voluntary. You have the right to skip any question you choose not to answer. There are no foreseeable risks involved in this study; however, if you decide to withdraw your participation you may do so at any time by simply leaving the web site.

Your name will not be requested in this study so your responses will be anonymous. All research records will be kept confidential by the Principal Investigator. No individual responses will be disclosed to anyone because all data will be reported on a group basis. If you have any questions about the study, please contact Ken Chipps at xxx-xxx-xxxx or abcd@efghi.com. The faculty sponsor is Dr. Barry Lumsden, University of North Texas, Program in Higher Education, 940-565-2045.

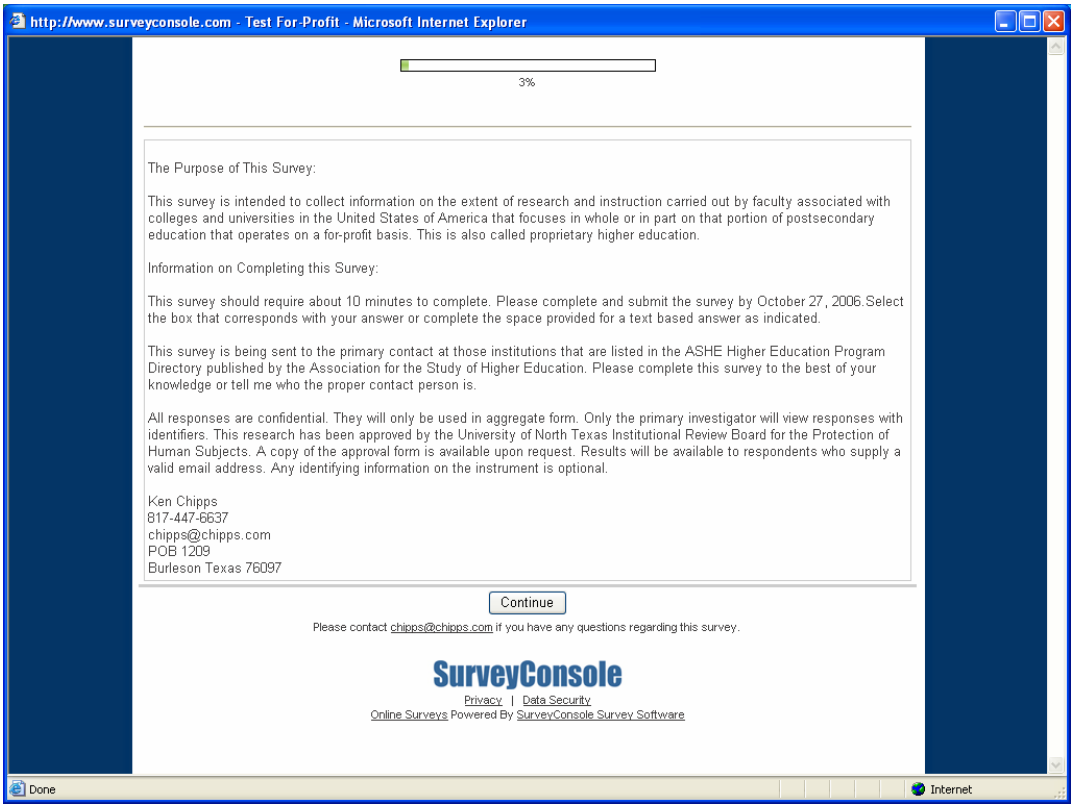
This research project has been reviewed and approved by the UNT Institutional Review Board. Please contact the UNT IRB at 940-565-3940 with any questions regarding your rights as a research subject. If you agree to participate, you may print this document for your records.

By clicking below, you are confirming that you are at least 18 years old and you are giving your informed consent to participate in this study.

Click Here To Enter Study

APPENDIX C

SURVEY INSTRUMENT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3%
The Purpose of This Survey:
This survey is intended to collect information on the extent of research and instruction carried out by faculty associated with colleges and universities in the United States of America that focuses in whole or in part on that portion of postsecondary education that operates on a for-profit basis. This is also called proprietary higher education.
Information on Completing this Survey:
This survey should require about 10 minutes to complete. Please complete and submit the survey by October 27, 2006.Select the box that corresponds with your answer or complete the space provided for a text based answer as indicated.
This survey is being sent to the primary contact at those institutions that are listed in the ASHE Higher Education Program Directory published by the Association for the Study of Higher Education. Please complete this survey to the best of your knowledge or tell me who the proper contact person is.
All responses are confidential. They will only be used in aggregate form. Only the primary investigator will view responses with identifiers. This research has been approved by the University of North Texas Institutional Review Board for the Protection of Human Subjects. A copy of the approval form is available upon request. Results will be available to respondents who supply a valid email address. Any identifying information on the instrument is optional.
Ken Chipps
817-447-6637
chipps@chipps.com
POB 1209
Burleson Texas 76097
Continue
Please contact chipps@chipps.com if you have any questions regarding this survey.
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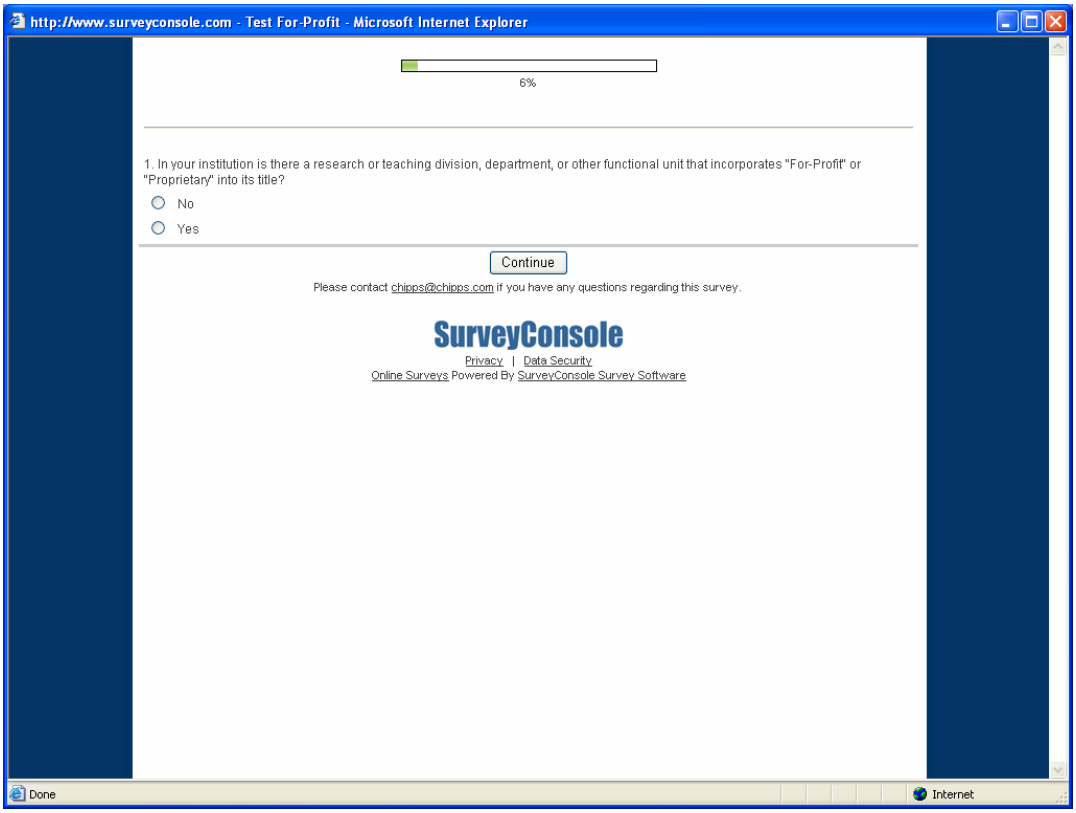
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6%
1. In your institution is there a research or teaching division, department, or other functional unit that incorporates "For-Profit" or "Proprietary" into its title?
No
Yes
Continue
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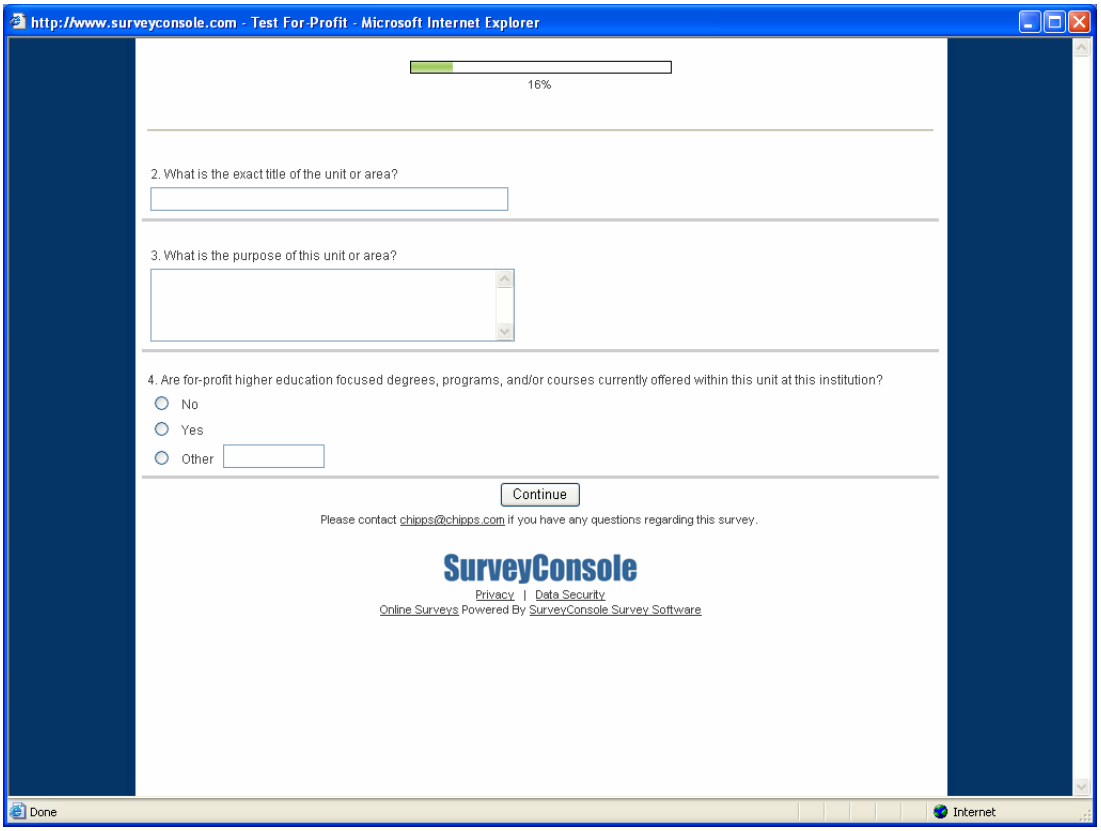
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16%
2. What is the exact title of the unit or area?
3. What is the purpose of this unit or area?
4. Are for-profit higher education focused degrees, programs, and/or courses currently offered within this unit at this institution?
No
Yes
Other
Continue
Please contact chipps@chipps.com if you have any questions regarding this survey.
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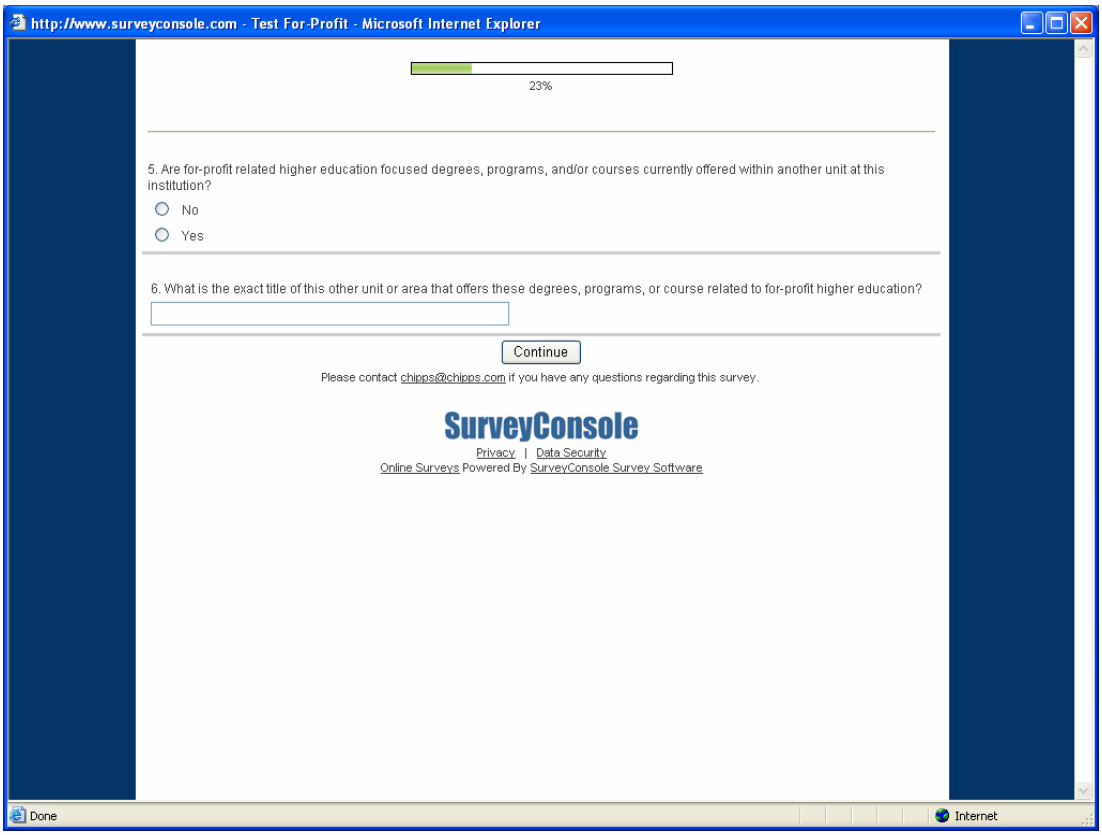
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23%
5. Are for-profit related higher education focused degrees, programs, and/or courses currently offered within another unit at this institution?
No
Yes
6. What is the exact title of this other unit or area that offers these degrees, programs, or course related to for-profit higher education?
Continue
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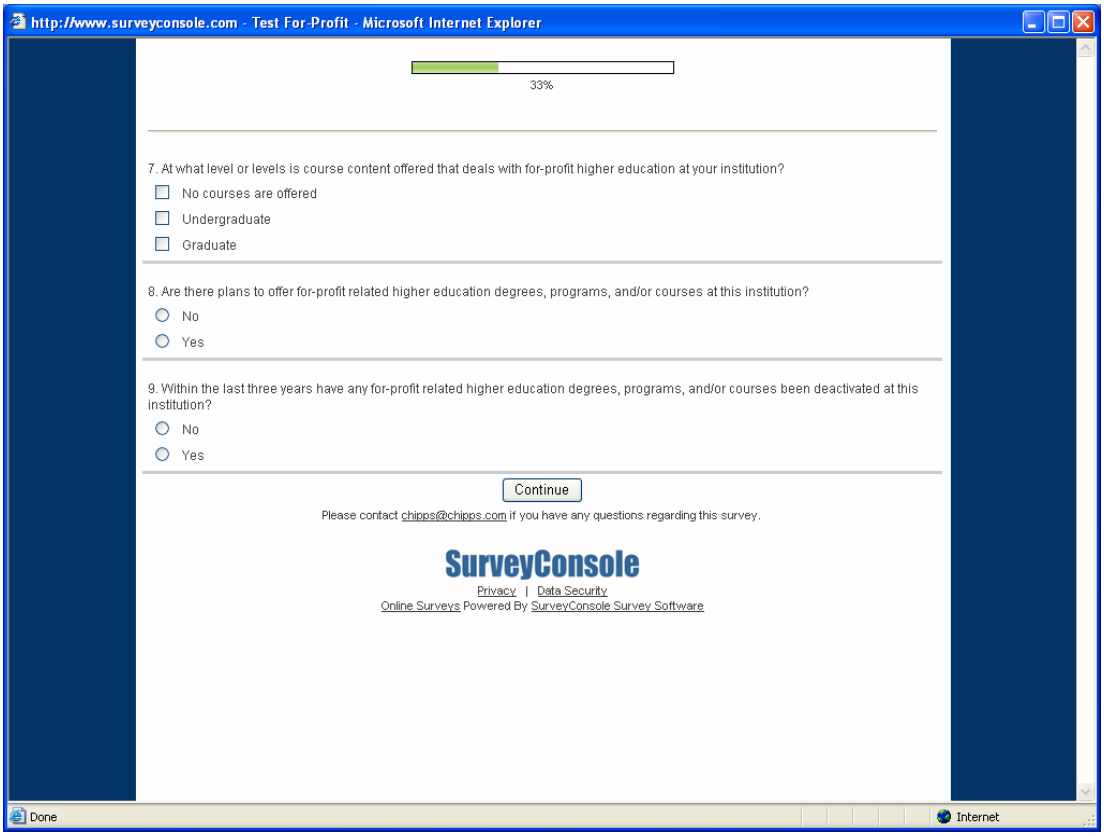
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33%
7. At what level or levels is course content offered that deals with for-profit higher education at your institution?
No courses are offered
Undergraduate
Graduate
8. Are there plans to offer for-profit related higher education degrees, programs, and/or courses at this institution?
No
Yes
9. Within the last three years have any for-profit related higher education degrees, programs, and/or courses been deactivated at this institution?
No
Yes
Continue
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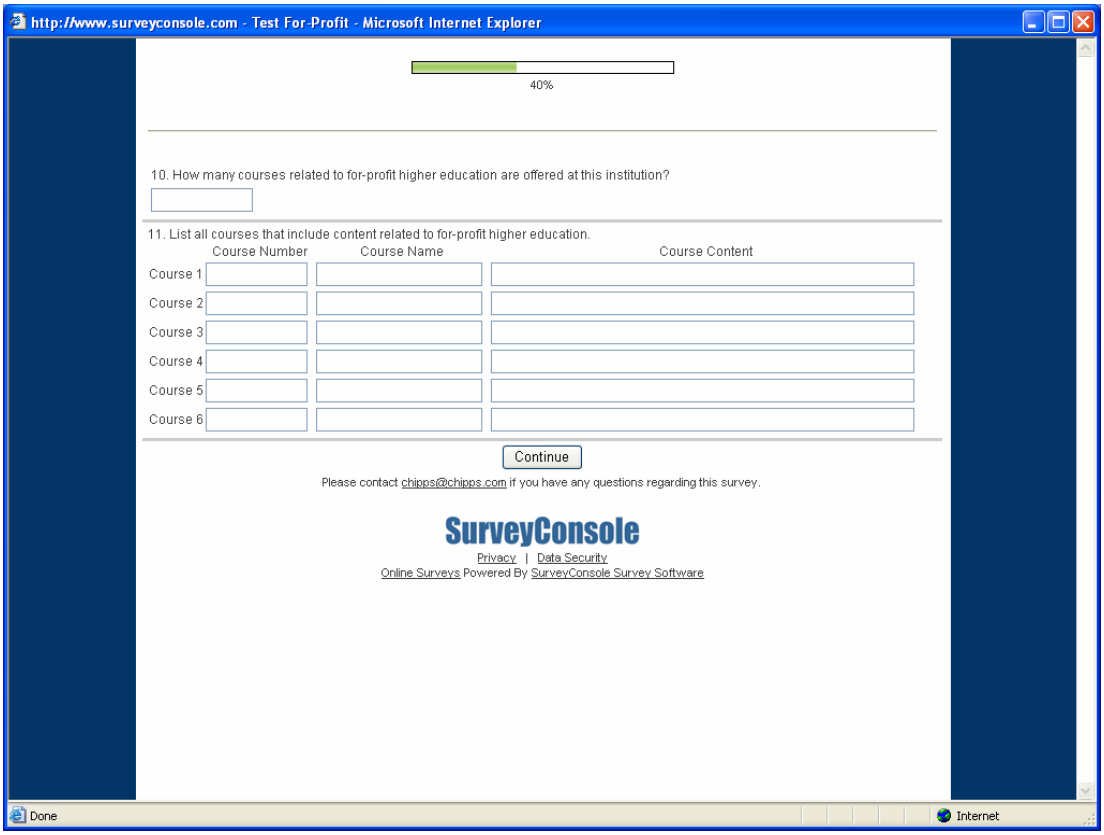
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40%
10. How many courses related to for-profit higher education are offered at this institution?
11. List all courses that include content related to for-profit higher education.
Course Number
Course Name
Course Content
Course 1
Course 2
Course 3
Course 4
Course 5
Course 6
Continue
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50%
12. What percentage of the courses on for-profit higher education listed above are taught by fulltime faculty?
13. What percentage of the courses on for-profit higher education listed above are taught by adjunct faculty with experience in for-profit higher education?
14. How many students are graduated each year on average whose course of study focused on for-profit higher education at each of these degree levels?
Undergraduate
Graduate
Continue
Please contact chipps@chipps.com if you have any questions regarding this survey.
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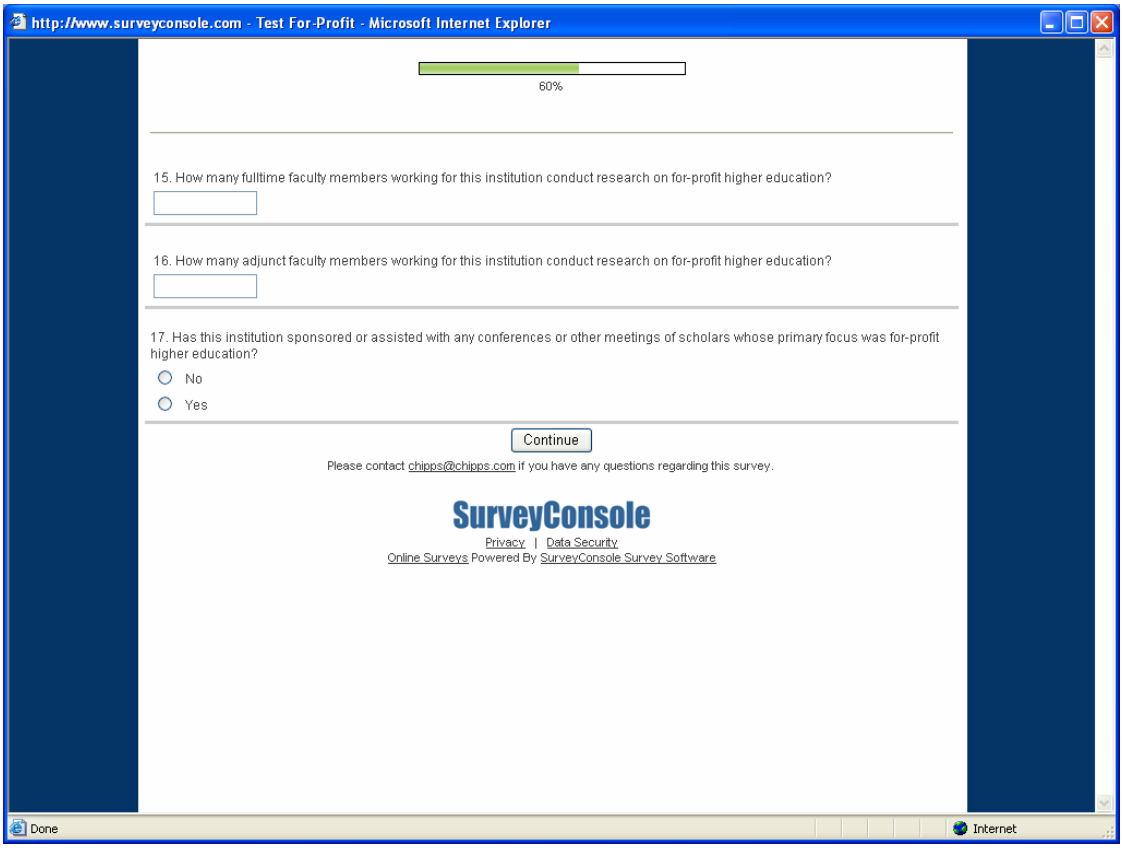
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60%
15. How many fulltime faculty members working for this institution conduct research on for-profit higher education?
16. How many adjunct faculty members working for this institution conduct research on for-profit higher education?
17. Has this institution sponsored or assisted with any conferences or other meetings of scholars whose primary focus was for-profit higher education?
No
Yes
Continue
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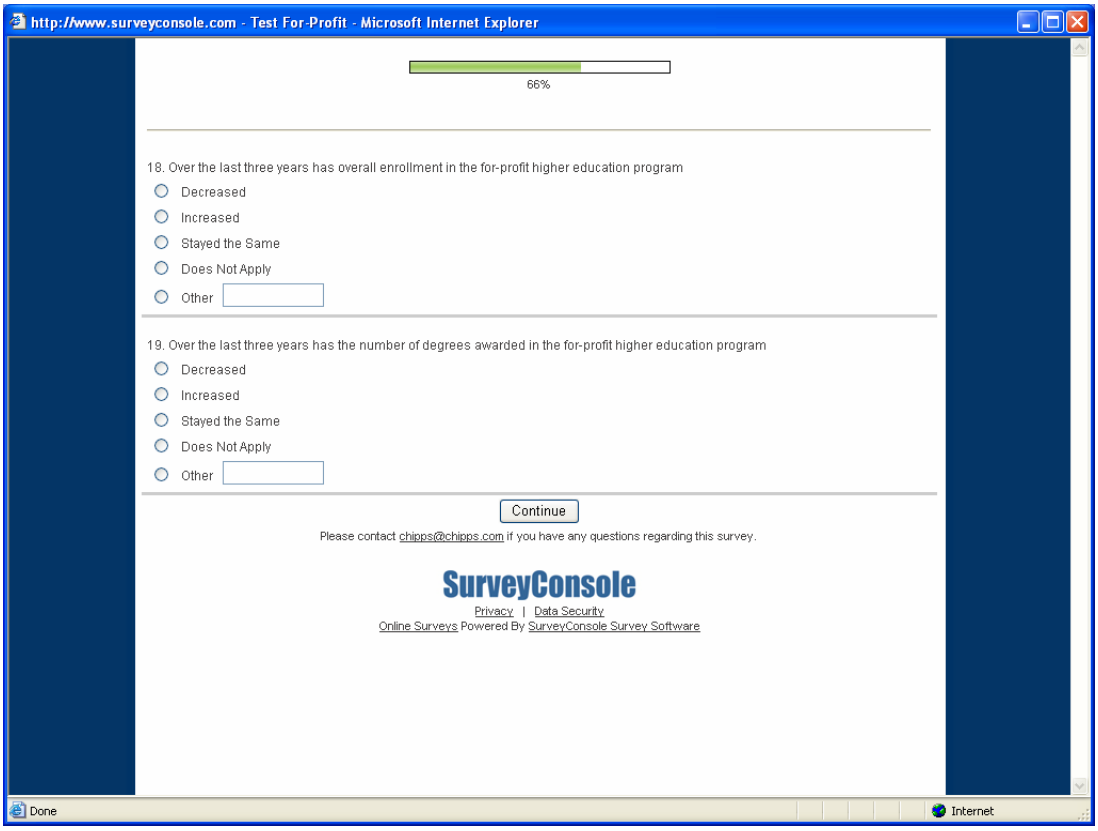
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66%
18. Over the last three years has overall enrollment in the for-profit higher education program
Decreased
Increased
Stayed the Same
Does Not Apply
Other
19. Over the last three years has the number of degrees awarded in the for-profit higher education program
Decreased
Increased
Stayed the Same
Does Not Apply
Other
Continue
Please contact chipps@chipps.com if you have any questions regarding this survey.
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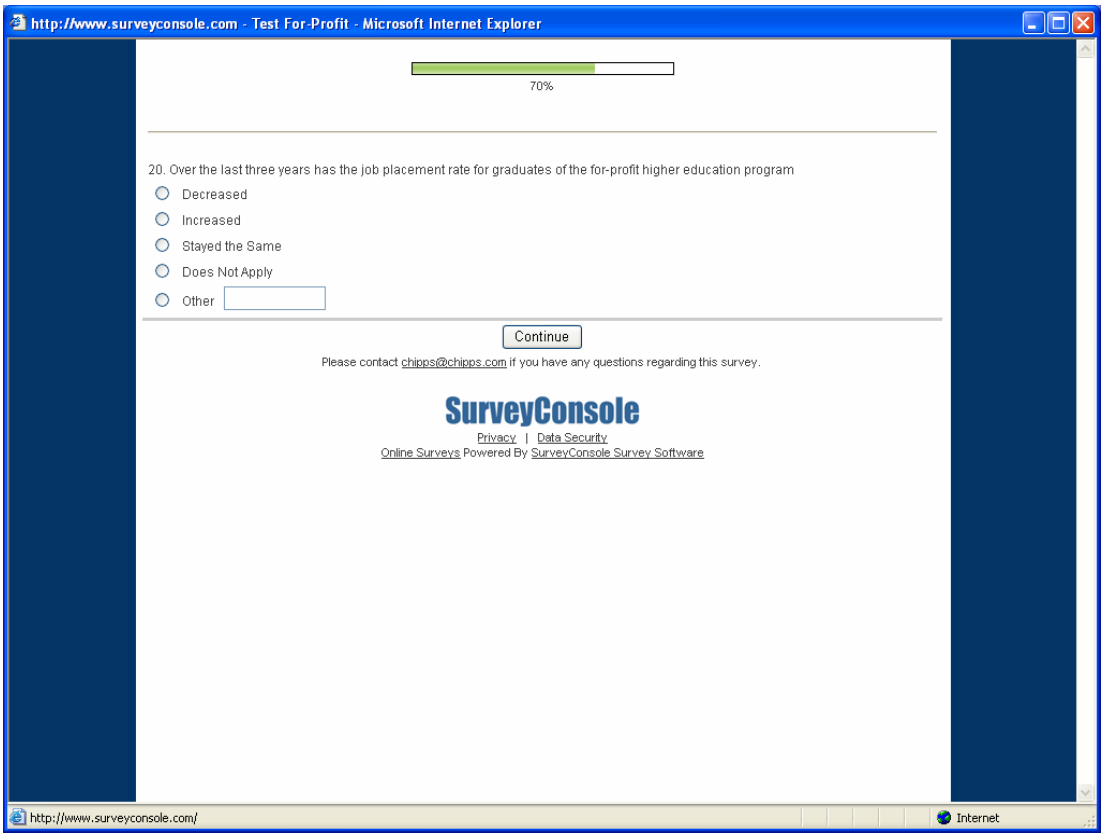
http://www.surveyconsole.com - Test For-Profit - Microsoft Internet Explorer
70%
20. Over the last three years has the job placement rate for graduates of the for-profit higher education program
Decreased
Increased
Stayed the Same
Does Not Apply
Other
Continue
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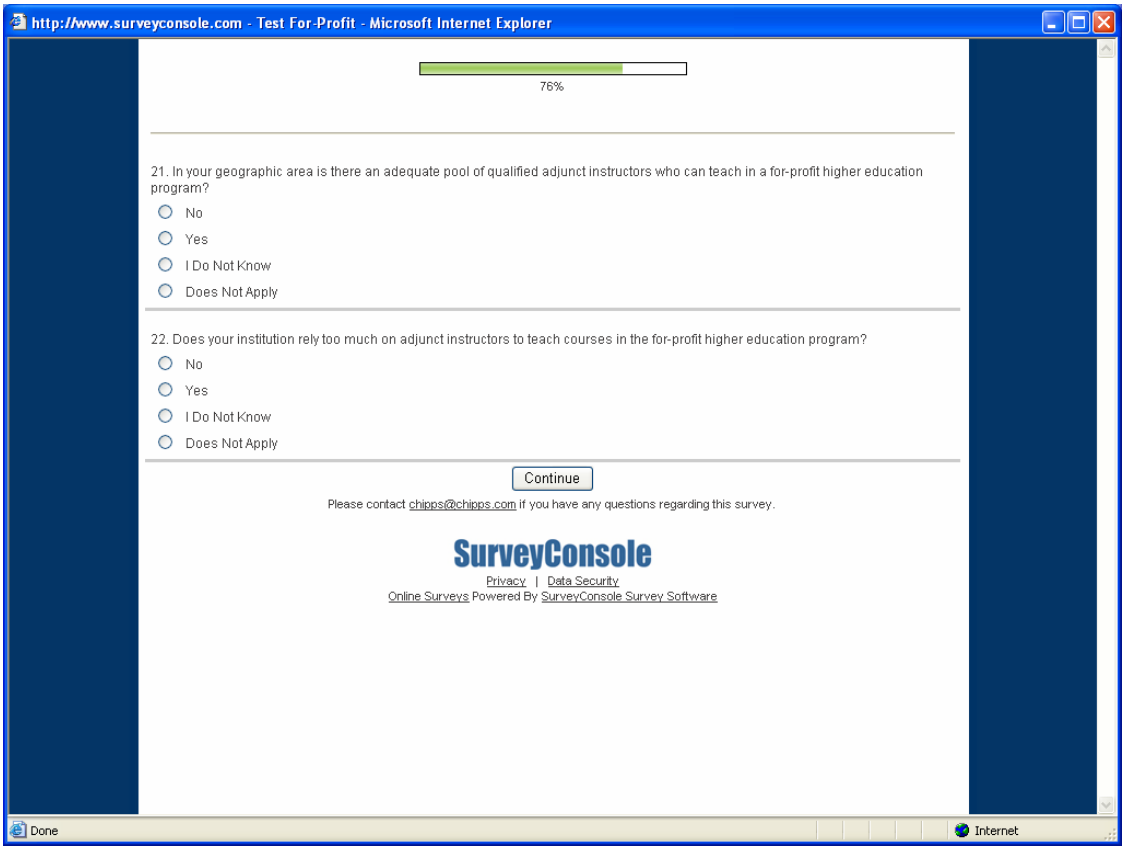
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76%
21. In your geographic area is there an adequate pool of qualified adjunct instructors who can teach in a for-profit higher education program?
No
Yes
I Do Not Know
Does Not Apply
22. Does your institution rely too much on adjunct instructors to teach courses in the for-profit higher education program?
No
Yes
I Do Not Know
Does Not Apply
Continue
Please contact chipps@chipps.com if you have any questions regarding this survey.
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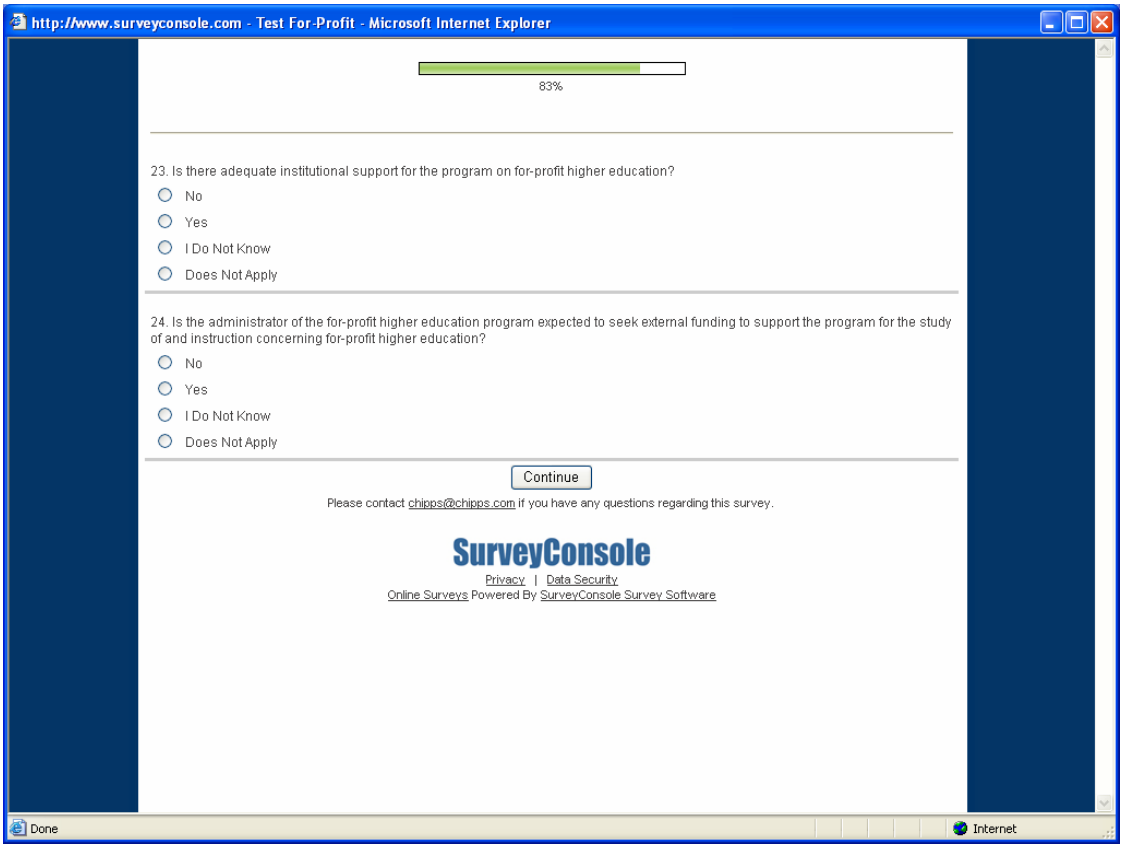
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83%
23. Is there adequate institutional support for the program on for-profit higher education?
No
Yes
I Do Not Know
Does Not Apply
24. Is the administrator of the for-profit higher education program expected to seek external funding to support the program for the study of and instruction concerning for-profit higher education?
No
Yes
I Do Not Know
Does Not Apply
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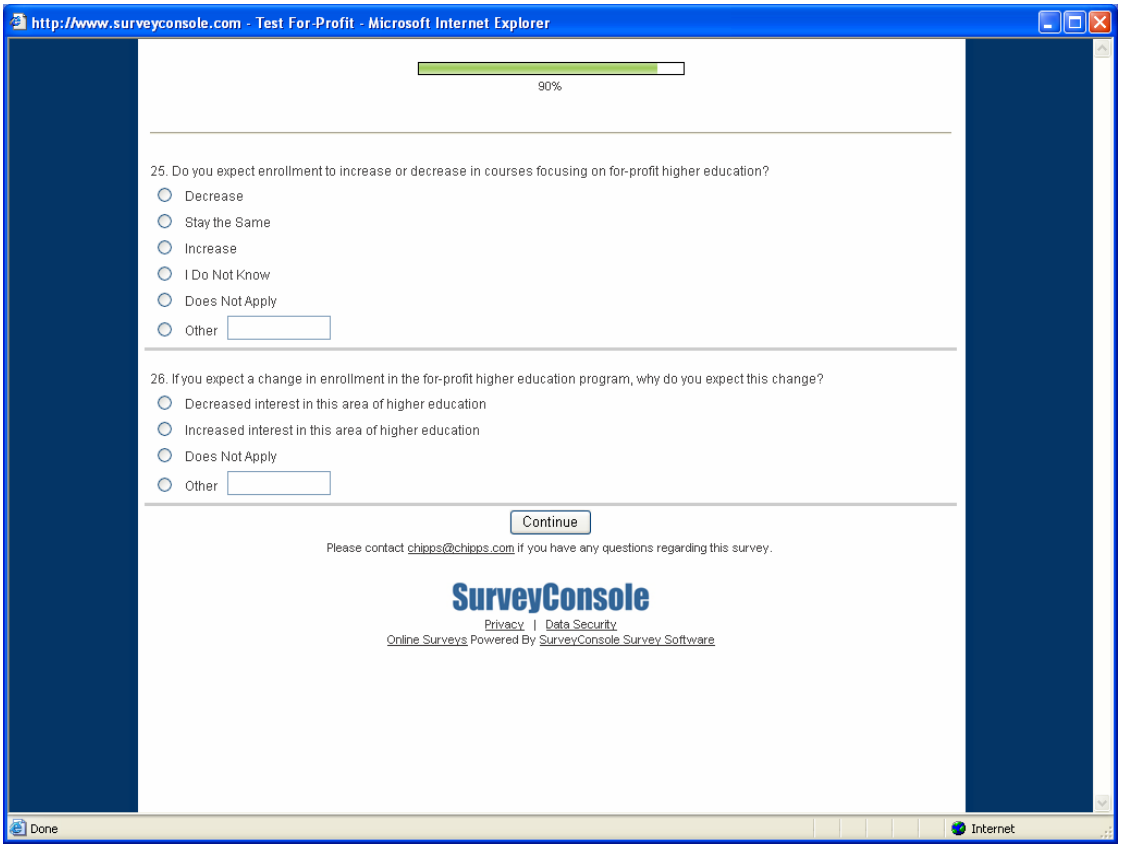
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90%
25. Do you expect enrollment to increase or decrease in courses focusing on for-profit higher education?
Decrease
Stay the Same
Increase
I Do Not Know
Does Not Apply
Other
26. If you expect a change in enrollment in the for-profit higher education program, why do you expect this change?
Decreased interest in this area of higher education
Increased interest in this area of higher education
Does Not Apply
Other
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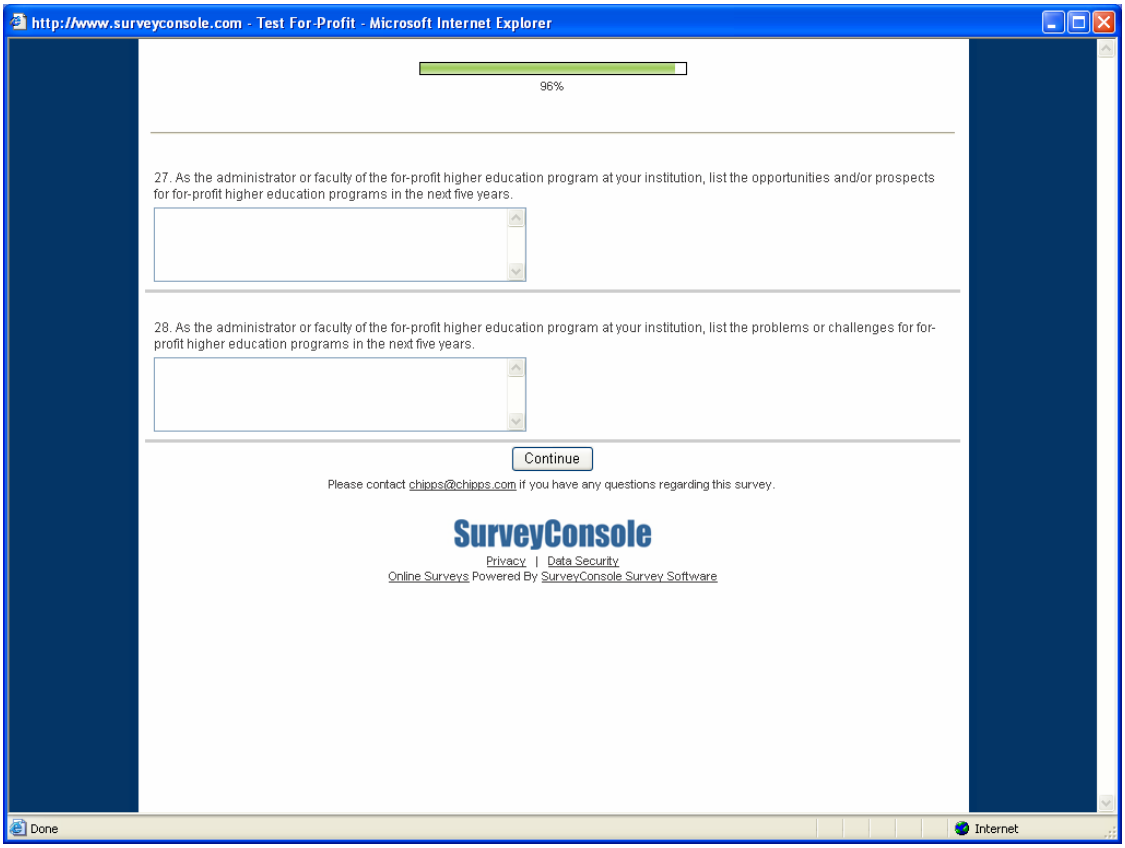
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96%
27. As the administrator or faculty of the for-profit higher education program at your institution, list the opportunities and/or prospects for for-profit higher education programs in the next five years.
28. As the administrator or faculty of the for-profit higher education program at your institution, list the problems or challenges for for-profit higher education programs in the next five years.
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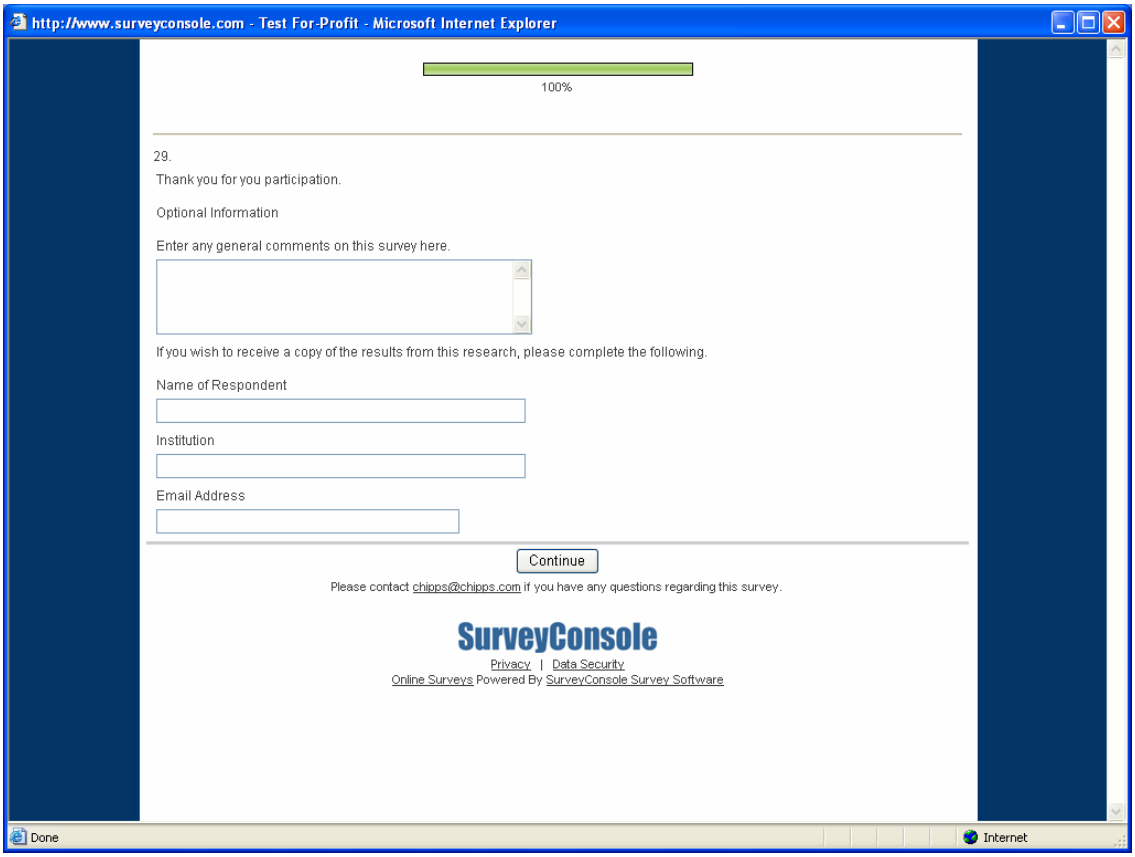
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100%
29.
Thank you for you participation.
Optional Information
Enter any general comments on this survey here.
If you wish to receive a copy of the results from this research, please complete the following.
Name of Respondent
Institution
Email Address
Continue
Please contact chipps@chipps.com if you have any questions regarding this survey.
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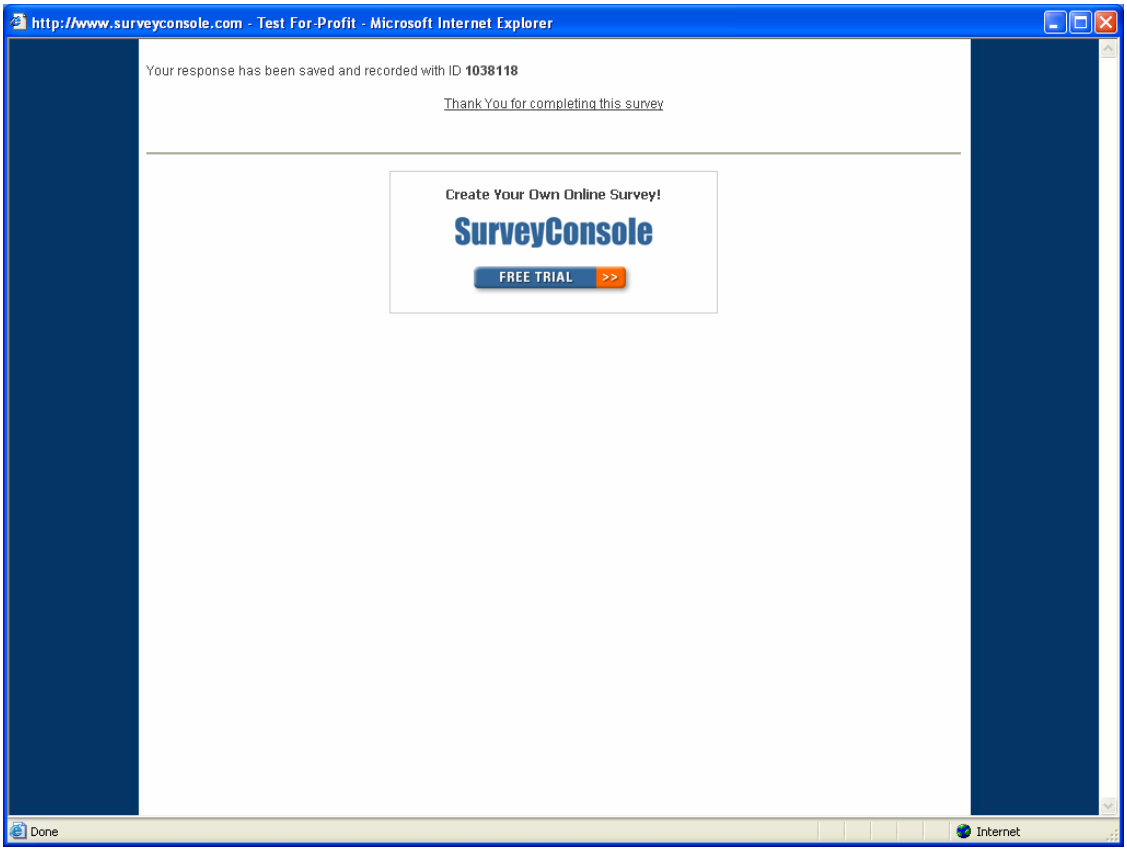
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Your response has been saved and recorded with ID 1038118
Thank You for completing this survey
Create Your Own Online Survey!
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FREE TRIAL >>
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APPENDIX D

COMMUNICATION TO SURVEY RESPONDENTS

Survey on For-Profit/Proprietary Postsecondary Education - Please Complete

This is a request for you to complete a survey. The information collected by this questionnaire will be used as part of the research for a doctoral dissertation. This survey is intended to collect information on the extent of research and instruction carried out by faculty associated with colleges and universities in the United States of America that focuses in whole or in part on that portion of postsecondary education that operates on a for-profit basis. This is also called proprietary higher education.

This survey should require about 10 minutes to complete. Please complete and submit the survey by October 27, 2006.

Please click this link to begin the survey.

<A HREF="http://www.surveyconsole.com/console/TakeSurvey?id=263432" >

Click Here to take the survey

</A>

This survey is being sent to the primary contact at those institutions that are listed in the ASHE Higher Education Program Directory published by the Association for the Study of Higher Education. Please complete this survey to the best of your knowledge or tell me who the proper contact person is.

If you prefer not to complete the online version of this survey, a paper copy can be provided instead.

All responses are confidential. They will only be used in aggregate form. Only the primary investigator will view responses with identifiers. This research has been approved by the University of North Texas Institutional Review Board for the Protection of Human Subjects. A copy of the approval form is available upon request. Results will be available to respondents who supply a valid email address. Any identifying information on the instrument is optional.

Ken Chipps

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